



EUROPEAN UNIVERSITY INSTITUTE
Department of Political and Social Sciences

**REGIONS AND INTERNATIONAL AID: AN INQUIRY ON THE
ORIGINS OF DECENTRALIZED AID FOR DEVELOPMENT
PROGRAMS IN TWO EUROPEAN REGIONS.**

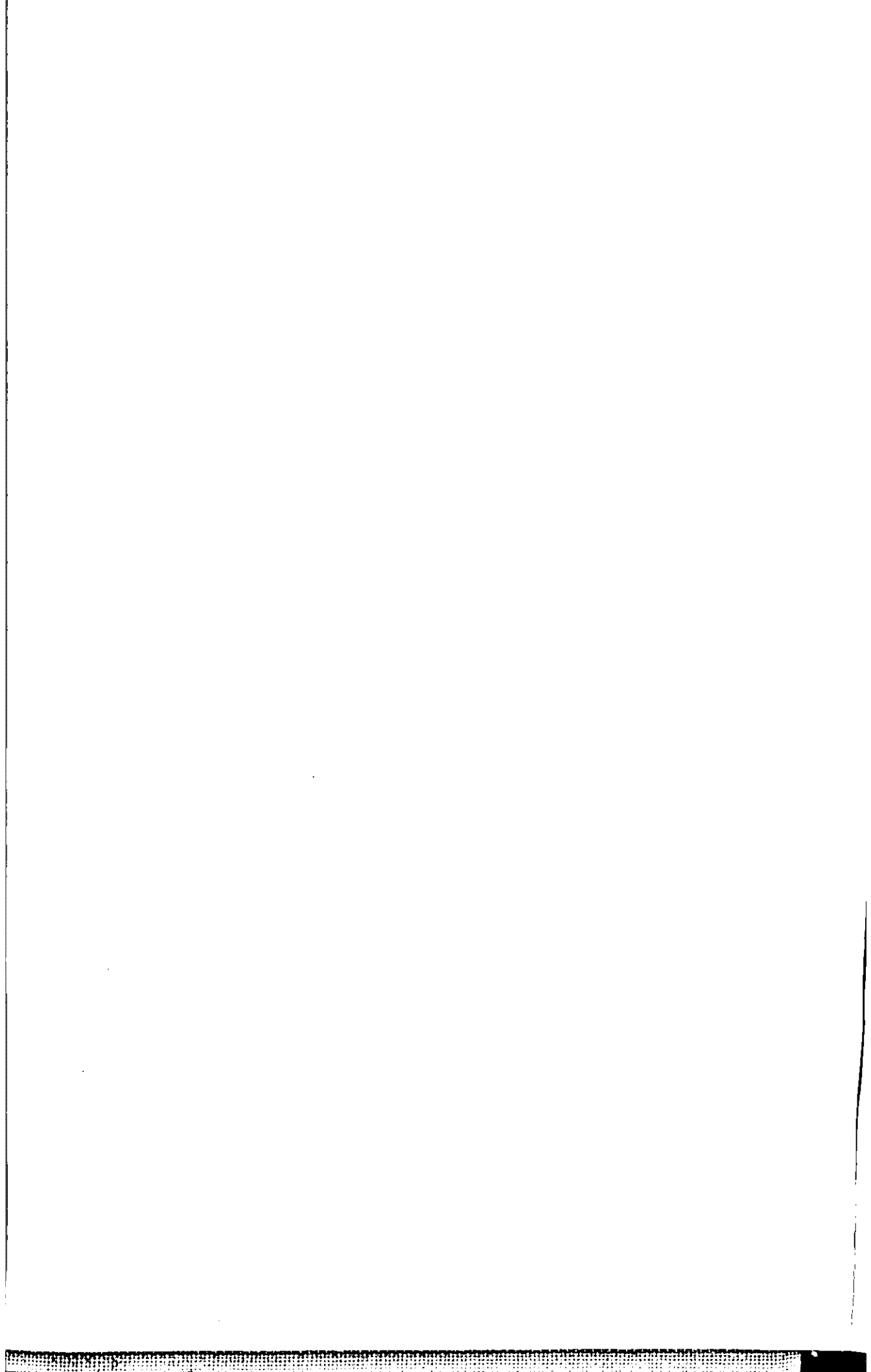
By

Carlos HERNÁNDEZ FERREIRO

Thesis submitted for assessment with a view to obtaining the Degree of Doctor of the
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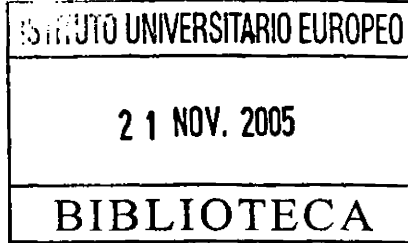
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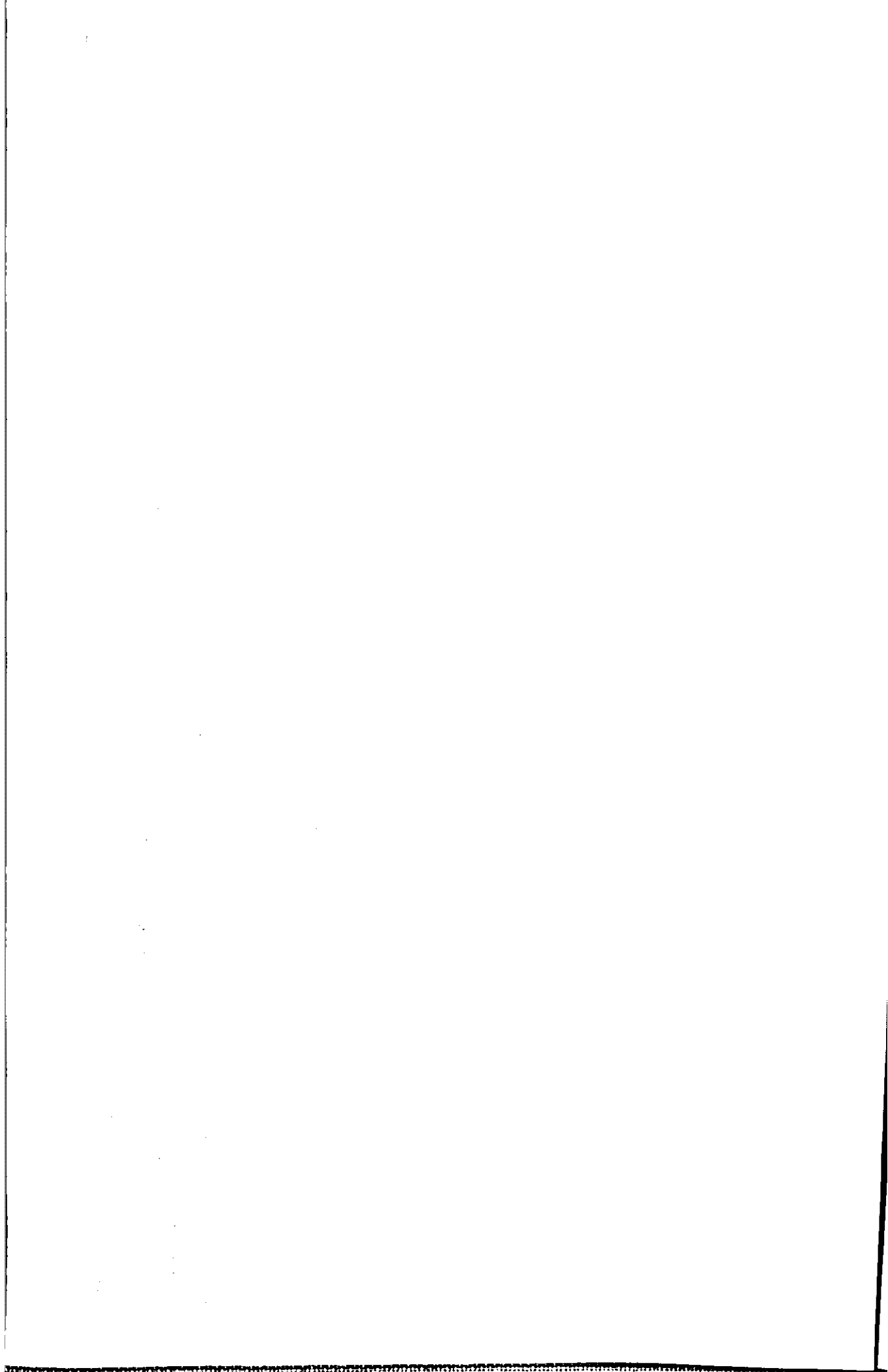
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ABSTRACT

This dissertation explores the politics of a region's engagement in decentralized aid for development policies. Defined as the international development co-operation activities of sub-state units, decentralized aid for development has been perceived by the specialized literature as the incarnation of a major change in the normative agenda of international development co-operation.

However, despite the normative overtones of the debate around decentralized aid for development, very little attention has been paid to the motives pushing regional and local administrations to engage in these kinds of policies. This dissertation aims to bridge this gap in the literature by devolving the analysis of decentralized aid for development to the realm of regional politics.

The main argument is structured as follows. Part I establishes the limits of the decentralized aid puzzle. I distinguish two main ways of approaching regions' engagement in decentralized aid policies. Firstly, the analysis of the constituents decentralized aid as a political practice; Secondly, the analysis of decentralized aid as a political process. It is argued that if we are to unfold the politics behind regions' engagement in decentralized aid policies we have to focus on the second kind of analysis.

Part II and Part III analyse the politics of decentralized aid in the Basque country and Tuscany. Finally, in Part IV both cases are reassessed in a comparative perspective, describing the main features of the politics of decentralized aid for development. The analysis of these cases shows how despite important differences in the nature of policy outcome, both processes of the constitution of decentralized aid policies share a number of features. Firstly, in both cases decentralized aid policies arise after mobilization on the part of NGOs operating in the territory. Secondly, both regions' decentralized aid programs are launched in a context of institutional uncertainty, in which the limits of regional autonomy are not clearly stated. Thirdly, both cases show how the establishment of decentralized aid for development policies is linked to the process of construction of the region as a polity. In both cases decentralized aid serves the needs of the regional agenda of foreign policy. What is more, decentralized aid is heavily influenced by the politics of region-building and the nature of both inter-institutional relations and the relations between institutions and the organizations in the civil society within the limits of the regional space.

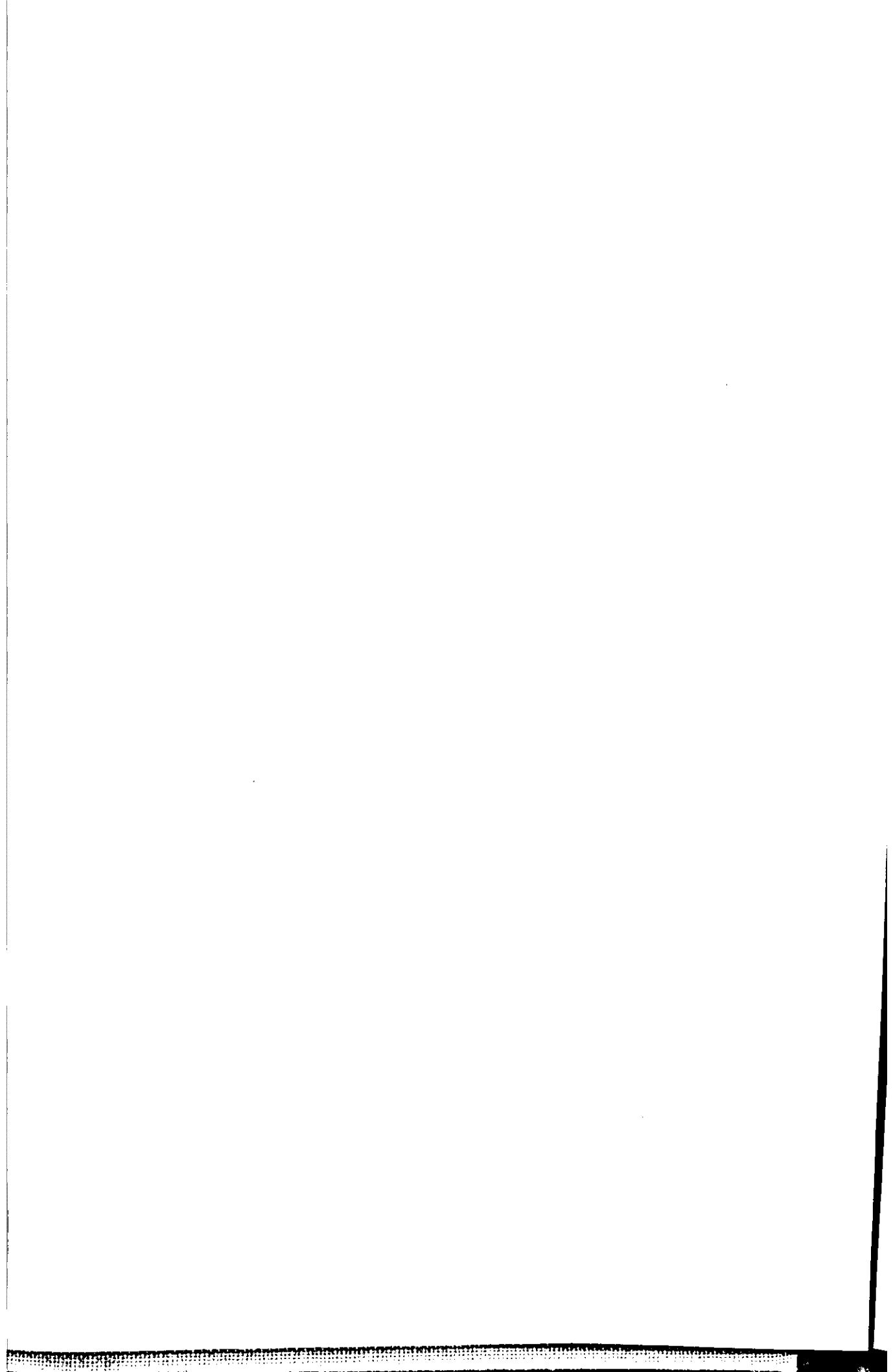


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INTRODUCTION

INTRODUCTION

I. The initial steps of a research itinerary

In 1999, in the midst of a seminar organized by the Universidad Autónoma de Madrid, I discovered the existence of decentralized aid for development. Defined as the international co-operation of sub-state entities, decentralized aid was meant to incarnate the most important change in the normative agenda of development assistance after the collapse of the Bretton Woods system. Decentralized aid was perceived as a turn towards the forgotten needs of recipient communities; decentralized aid was meant to bridge the gap between society and development assistance policy; what is more, decentralized aid was meant to blur the distinction between donor and recipient countries. Or at least so were the words of the speaker in that seminar.

If I had approached political science in a different way, perhaps this research would never have been undertaken and I wouldn't have spent the last five years working on the motivations of regions in engaging in decentralized aid for development schemes. Yet, to a mind raised on a diet of not fully digested mainstream political science (as any undergraduate's mind is), there were too many problems with the concept of decentralized aid as it was presented in that seminar.

First, there was the problem of a sub-state unit acting like a state in the sphere of international politics. That is, what does it mean that a region or a local government could push itself beyond the borders of the State delivering aid to similar communities in the third world? Haven't we discussed in our International Relations Theory seminars that the State was the sole relevant actor in the international sphere? Haven't we agreed on the fact that the State's national interests, more often than not, would hinder co-operation in a context of anarchy? And if so, why did States permit sub-state units go beyond borders and develop their own development assistance agenda, sometimes even contradicting the national interest?

The second problem related to the position of morals in politics. In other words, the conflict between value-oriented and interest-oriented political action. Haven't we heard about self-interested political action? About actor's preferences? About dilemmas and rational behaviour? Then, it had to be something 'hidden' and 'rotten' in decentralized aid,

something that would bring back politics, understood as the clash of interests in a zero sum game, to centre stage.

In sum, I had decided to discover the politics behind decentralized aid for development. Yet, before getting there, I decided to examine whether the so-called specialized literature on decentralized co-operation for development had dealt with these issues. To my surprise, the literature has continued the path opened by the speaker during the seminar. That is, overloading the concept of decentralized co-operation with a wide array of normative considerations without getting to what I intuitively thought were the "real" motivations behind regions' and local governments' engagement in decentralized co-operation policy schemes.

Now I was ready. I had my mainstream -political -science -kind-of-puzzle and I had the alibi of a gap in the specialized literature. I decided to structure my research proposal along the research question *why do regions engage in decentralized aid politics?* Politics will strike back in the realm of decentralized aid.

II. 'There and back again': a reassessment of the underpinnings of this dissertation

Doing research at a PhD level is to a just-graduated mind like drinking a glass of bicarbonate soda after a huge meal. Maybe it is not the easiest thing to swallow, yet it is a good remedy for ill-learned theories, barely analysed debates and underdeveloped methodological skills. After five years of research my intention remains to bring politics to the study of decentralized aid for development. That is, to respond to the question *why do regions engage in decentralized aid policies?* Yet, the underlying motivations (normative and academic) have changed slightly.

II.1 Taking decentralized aid seriously

The perception that the way in which decentralized aid for development has been analysed by the current literature pays lip favour to the normative agenda that the concept of decentralized aid is supposed to embody lies at the heart of this dissertation.

The concept of decentralised aid appeared in the political agenda as a response to the breakdown of both the development paradigm sponsored by the Bretton Woods institutions and the international politics of the Cold War period. Decentralised aid was conceived as part of the conceptual apparatus of a new development paradigm. This paradigm was mainly defined in terms of a return towards the needs of recipient countries, and placed special emphasis upon opening the development realm to organisations and institutions beyond the dark practices of States' administration development agencies.

However, beside general statements (such as building development from the grassroots; devolving development to local communities; encouraging participation in development issues) very little has been said about the manner in which this normative agenda can be implemented through decentralized aid. What is more, the lack of analysis of the domestic underpinnings of decentralized aid policies results in a kind of blind justification of any sort of international co-operation policy including non-state agents and/or civil society organizations, precisely because it recalls the virtues of the general agenda of human sustainable development.

I believe that, if we are to pay something else rather than lip favour to the values contained in the human sustainable development agenda, a proper discussion of what is happening in the realm of decentralized aid for development is needed. This dissertation intends to contribute to re-assessing the value of decentralized aid. In doing so, it intends to shed light on the politics of decentralized aid, not because it aims to show the prevalence of rotten politics over good will, but because I believe that it is only through recognising the existence of a political dimension to decentralized aid that we will be able to free these policies from ill-digested moral arguments.

The reduction of poverty and a more equal distribution of economic resources is (or at least should be) one of the most pressing challenges in contemporary world politics. Decentralized aid is, since the beginning of the nineties, an important element of a broader agenda of international development, which seeks to emphasise the needs of recipient communities, rather than the interests of donor agencies, and the necessity of constructing development from the grassroots, that is from the needs and potentialities of the territories, rather than by imposing a development model from above.

If we are to take this agenda seriously we must be sure that our instruments of analysis are not simply meant to offer a moral alibi to any kind of practice that might resemble an implementation of the above mentioned values, but that they can help us to critically understand how decentralized aid policies are constructed and what can we do to improve, not only the manner of their implementation, but mainly the way in which we conceive their contribution to the alleviation of poverty and underdevelopment.

II.2 Theoretical shortcomings of current literature on decentralized aid

From a theoretical perspective this dissertation tries to address three major shortcomings in current analyses of decentralized aid for development policies: firstly, it tries to analyse decentralized aid from the point of view of regional politics rather than as a result of major changes in the international agenda of development; secondly, it tackles the problems of the domestic determinants of regions' involvement abroad, an issue that has not been properly examined in the literature; thirdly, at the methodological level it tries to overcome the single-case oriented strategy followed by current literature in decentralized aid by

presenting a comparative cross-national oriented analysis of decentralized aid policies in two European regions.

II.2.1 Decentralized aid as regional policy

The analysis of decentralized aid for development policies has been monopolized by scholars from the field of international development studies. This body of literature, as we have said before, has taken decentralized aid as kind of conceptual guru through which a new normative agenda of economic development could be introduced into the theoretical debate on the practices of international development co-operation.

Decentralized aid has been analysed as the result of major changes in the normative agenda of international economic assistance. According to the specialized literature, the notion of human development has brought about a major change in the way recipient needs are understood. A new emphasis is placed on intercultural relations and exchanges; the necessity of putting communities to work together; and the need to give development a local dimension¹.

As a result, the literature on decentralized aid has tended to legitimate, in terms of the implementation of this superior normative agenda, sub-state units' practice in the international co-operation realm. Yet, at the level of theoretical analysis, this research agenda has obscured important elements of the phenomenon. These elements are related to the nature of the region as an actor in the international scene, and more specifically in the realm of international economic development. For example, one could ask why some regions embraced decentralized aid policies in the eighties, whereas others had only come to know of its existence in the late-nineties? What is the relation between regions' domestic institutional structure and the constitution of decentralized aid schemes? What is more, if decentralized aid is the result of a major change in the agenda of international economic

¹ See, among others, González Parada, José Ramón ed. 1998: '*Cooperación descentralizada: ¿Un nuevo modelo de Relaciones Norte-Sur?*'; Madrid. La Catarta-IUDC/UCM. Ch.1.; Confederación de fondos de cooperación y solidaridad 2001: '*Municipalismo y solidaridad : guía sobre la cooperación descentralizada*' Barcelona : Confederación de Fondos de Cooperación y Solidaridad; Mario Grieco and Sergio Lenci eds. 1999: '*La cooperazione decentrata oltre l'aiuto : gli attori locali nella ridefinizione dei rapporti Nord-Sud*' Torino: L'harmattan Italia, specially the preface by Eduardo Missoni

development, what factors explain the internalisation, from the part of regional politicians, of these changes?

In this dissertation I propose to devolve the analysis of decentralized aid to the realm of Comparative Regional Studies. As is shown in this dissertation, this theoretical realm, by putting regions at the centre of the stage, permits a better assessment of the motivations behind regions' engagement in decentralized aid policies.

II.2.2 The domestic determinants of regions' projection abroad

Devolving the analysis of decentralized aid for development to the realm of Comparative Regional Studies take us into the field of analysing the international projection of sub-state governments and the changing value of agency in the realm of international politics.

There is nothing radically new in sub-state units' projection in the international sphere. Even in the time when scholars thought of the international system as an arena in which the will of States was dominant over any other kind of authority (being supra-national or sub-state), international activities on the part of sub-state units could be easily tracked down.

Since the seventies a body of literature, initially heavily influenced by International Relations theory, has tried to offer a theoretical account of what at that time was perceived, as the advent of transnational politics (as opposed to state-centred international relations).

During the nineties the literature analysing the international activities of regions and local governments evolved in parallel to the increasing relevance (quantitative and qualitative) of regions' involvement abroad. This ever-expanding body of literature, while agreeing on the nature of the phenomenon, diverged on the way in which it tackled the origins of the phenomenon. Initially the Paradiplomacy School sought regions' activities in the international sphere as the result of the interaction of domestic and external factors. Yet, by the mid-nineties, a number of researchers had begun to emphasize the impact of globalisation and supra-national integration on sub-state units' involvement abroad, re-assessing sub-state units' international projection in the broader context of a *Copernican Revolution* in the practice of diplomatic relations.

According to this research agenda, globalisation has blurred the frontier between domestic and international politics creating a kind of “intermestic” political space. This intermestic political space is not hierarchically structured, but is fundamentally defined by horizontal co-ordination and the creation of spheres of governance in which different tiers of government are integrated.

In more recent times the debate on the international projection of constituent units has incorporated the distinction between the structure of opportunity, in which sub-state units’ foreign activities take place, and the structure of determinants. My suggestion in this dissertation is that this agenda offers an interesting avenue of research for reassessing regions’ engagement in decentralized aid for development policies.

After incorporating the debate on the distinction between the constituents and the determinants of political action, this dissertation re-elaborates the distinction between opportunity structure and determinants so as to differentiate between the origins of decentralized aid as a political practice and the determinants of region’s engagement in decentralized aid for development policies. As it is argued later on, this differentiation allows us to better assess the limits of our research question (that is, *Why do regions engage in overseas aid?*) focusing attention on the domestic determinants of a region’s projection abroad.

II.2.3 Cross-national case-oriented comparison and the study of decentralized aid policies

The third shortcoming of the specialized literature on decentralized aid refers to the way in which the problem has been approached methodologically. Studies on decentralized aid had traditionally focused on static descriptions of the phenomenon in a single country. The literature has lacked both appropriate in-depth analysis of relevant cases and in particular the use of cross-national comparisons to test the validity of its conclusions.

Consequently, the literature on decentralized aid is scattered in a multiplicity of nationally oriented reports which tend to confine the policy field in the reality of national overseas aid programs, not permitting an exchange between different experiences as to distil the

common factors behind regions' engagement in decentralized aid policies in different countries.

In this dissertation I suggest exploring a different methodological approach to decentralized aid, namely a cross-national case-oriented comparison. This methodological approach is consistent with addressing the shortcomings identified above in the existing literature. Firstly, a case-oriented approach permits a comprehensive analysis of a number of cases which are first identified as relevant to our research topic. As a result we might be able to account for internal variance in the selected cases and structure our empirical evidence to show a dynamic picture of the evolution of decentralized aid policies in the cases analysed.

Secondly, cross-national comparison resolves the problems of nationally oriented studies, since it permits us to individuate the relevance of national context in the definition of our policy outcome, permitting more generalizable statements on the determinants of regions' engagement in overseas aid for development.

III. A brief introduction to the argument and structure of the thesis

This dissertation explores regions' engagement in foreign aid policies from the point of view of the regions themselves. In doing so, I expect to reveal the politics behind decentralized aid for development policies. This aspect has been systematically neglected by the literature on decentralized aid. The main argument of this dissertation is that *regions' engagement in decentralized aid for development policies can only be understood in the context of a broader process of region-building which increasingly entails an international dimension.*

In order to develop this argument the dissertation is divided into four major parts which are subdivided into different chapters. *Part I* is devoted to a theoretical discussion of regions' engagement in decentralized aid.

At the outset, a literature review is presented. This literature review is structured along two major bodies of literature. Firstly, I summarize the major contributions to the debate on the determinants of foreign aid for development. This debate is a common feature of the social sciences since the 1950's. Structured along the works of political scientists, sociologists, economists and scholars of international relations, the debate has offered a myriad of explanations for state engagement in foreign aid policies. Yet, as is argued later on, the debate has not been able to offer a definitive answer to the so-called foreign aid puzzle. Firstly, the combination of different research traditions makes scientific exchange much more difficult. Secondly, the lack of conceptual rigour makes it very difficult to properly establish the terms of the foreign aid puzzle.

Secondly, I summarize the literature on regions' projection abroad. Starting in the 1970's very much under the auspices of the agenda of Transnational Relations in International Relations theory, the debate on the international activities of regions has gained its own stance in the realm of regional studies. As I will try to show later on, later contributions distinguishing between the opportunity structure for regions' involvement abroad and their actual motivations, strategies and styles open up an interesting avenue of research.

Part I of this dissertation continues by trying to offer a theoretical framework for the analysis of a region's engagement in decentralized aid. The argument distinguishes between decentralized aid as a political practice and decentralized aid as policy process. I then focus

on an analysis of the process of supply and demand structuring as a means of explaining regions' motivations to engage in decentralized aid politics.

Thirdly, a discussion of the methods is presented. The main argument is that a most different case oriented comparison is the most suitable way of testing the validity of the argument structuring this dissertation.

In *Part II* and *Part III*, theoretical argument is reassessed under the light of the analysis of two case studies. First, *Part II* analyses decentralized aid policies in the Basque Country. The Basque Country's international co-operation programs are the result of complex interactions between a structured system of social actors and the political program of Basque institutions.

The nature of these interactions change over time leading to three major phases being distinguished. The first phase, ranging from 1985-1989, is marked by intense mobilization on the part of local non-governmental organisations (NGOs). The second phase ranges from 1990-2001 and witnesses an intense process of institutionalization of the policy. The process of institutionalization is marked by three major features. Firstly, the Basque administration would try to create a regional system of international co-operation with the participation of other institutions in the territory. Secondly, decisional capacities would be increasingly concentrated in the hands of institutions, progressively relegating NGOs out of the decisional phase into the implementation phase. Thirdly, this period is marked by the construction of a proper discourse around the Basque administration's engagement in decentralized aid schemes, which is consistent with a new way of understanding the international projection of the region. The third phase begins in 1998 and is marked by important changes in the political agenda of Basque regional administration.

From 2001 to 2005, changes in the structure of inter-coalition relations resulted in the concentration of international aid, together with the rest of social policy, in the hands of IU, a non-nationalist left-wing party. In line with the new distribution of competences, a major change in the patterns of political discourse has taken place.

Secondly, *Part III* analyses decentralized aid policies in Tuscany. Tuscany's first activities in the realm of decentralized aid can be traced back to 1990, when the regional government passed the first regional law on international co-operation. Yet, it must be said that by this

time international co-operation activities were not a novelty in Tuscan territory. Since the mid-eighties local institutions, in co-operation with local NGOs, had developed several co-operation schemes. Tuscany's legislation echoed the reality in the territory of trying to integrate pre-existing activities in the restrictive normative framework of the Italian State.

However, in 1999 a new system was established. The new system conferred a greater deal of autonomy on the regional administration to operate, not only as a coordinator, but as the central piece of a regional international co-operation system. This major change marked the response of regional authorities to a new political situation in Italy that affected both centre-periphery relations and Italy's overseas aid policy. Since 1999 Tuscany has established an international co-operation system which is structured along a broad interpretation of the principles of territoriality and decentralization.

In *Part IV* development aid policies in Tuscany and the Basque Country are reassessed in a comparative fashion. The main scope is to put together all the relevant elements to come up with a discrete set of explanatory factors that can account for the origins of regional engagement in decentralized aid policies. After summarizing the major features of both the Basque Country and Tuscany's decentralized aid for development policies, I try to distinguish a common set of elements behind both regions' engagement in foreign aid policies. It could be summarized as follows. Firstly, the capacity of NGOs to translate rather abstract considerations on human development into an issue of regional politics is an important element in both our cases. Secondly, the existence in both cases of a context of institutional uncertainty created a window of opportunity that was seized by regional administrations in both Tuscany and the Basque Country. Thirdly, in both regions domestic political agendas perceived the internationalisation of the region as *conditio sine qua non* for furthering the scope of regional political autonomy. As a result both regions had incorporated the constitution of a decentralized aid system into the broader process of regional building by linking decentralized aid policies with the specific notion of the region as political space.

Last but not least, a caveat on the consistency between the empirical and theoretical parts of this dissertation has to be included. In the following pages, the attentive reader may observe that there is a lack of consistency between the theoretical analysis presented in *Part I* and

the cases narratives developed in *Part II* and *Part III*. Particularly, narratives seem to overflow the limits imposed by our theoretical model, thus breaking-up the mould of a deductive logic of inquiry.

I acknowledge the existence of a lack of consistency between empirics and theory in this dissertation. Yet, there is a reason that might explain why at a certain point I've decided that a pure deductive logic of inquiry could (actually should) be sacrificed in the altar of a better understanding of the origins of decentralized aid for development policies.

The argument can be summarized as follows: both deduction and induction, whereas ensuring a greater degree of consistency between the different parts of the thesis, may yield important problems given the constraints imposed by the inexistence of an appropriate body of positive theory sustained on empirical analysis regarding the analysis of decentralized aid for development policies.

Firstly, implementing a pure deductive logic of inquiry, without having at hand the appropriate instruments to build and check for counterhypothesis, may yield a problem of *ad-hocness* in the way theory and empirics are articulated in this dissertation. Pure deductive logic of inquiry, given the limitations faced by this dissertation makes it very difficult to control for determinism. We cannot be sure that the narratives presented are not tailored as to "*fit*" rather than to falsify the theoretical framework presented in Part I.

Secondly, an inductive logic may yield problems of generalization and comparability, since unbounded narratives would have made even more difficult to find elements for building comparative analysis and further distil the factors explaining regions' engagement in decentralized aid.

Therefore, I've chosen a *via media*, which requires going back and forth from theory to empirics, as to structure the exchanges between theory and empirics. My intention is to provide for theoretical elements which might set the limits of what can be considered the politics of decentralized aid, yet conceding great relevance to the narratives of the cases, which in many occasions overflow the limits established by the theoretical framework.

In doing so, this dissertation sides with a case-oriented comparative analysis strategy. This strategy puts cases and not variables at the centre². The interaction between theory and empirics is multidirectional rather than unidirectional. *Part I* presents the decentralized aid puzzle and tries to define the theoretical limits of the research question as well as a broad framework of analysis is advanced. The dominant strategy in this part is deduction. In *Part II* and *Part III* the cases are presented. The narratives are structured as to deal with the complexities of the cases analyzed and as a result they tend to overflow the limits imposed by theory. Thus, *Part II* and *Part III* are somehow inductively driven. *Part IV* has been oriented to reframe the narratives within the limits of theory through comparative analysis. Yet, given the limited character of the theoretical framework I've permitted a broad exchange between what we have learnt from the analysis of the cases and what we have established in the theoretical part.

I believe this strategy, whereas it might affect the consistency between *Part I* and *Part II* and *Part III*, it might yield some important benefits: Firstly, the theoretical framework presented in *Part I* limits partially the scope of the narratives presented in *Part II* and *Part III*. As a result the comparative analysis presented in *Part IV* might produce empirically sustained and generalizable statements on the origins of decentralized aid.

Secondly, an inductively oriented presentation of our narratives might yield an improvement of the analytical instruments presented in *Part I*. In other words, theory might learn from the cases. The lack of positive theory on the field makes it hard to trace the appropriate counterfactuals in order falsify our hypotheses. Inductively oriented narratives might help us (in a very rudimentary way and to limited extent) to test the validity of the theoretical framework proposed in *Part I*.

² The logic of Case-oriented comparison and why it is particularly suitable for this dissertation is explained in section V.2 pp. 114-118

**PART I: IN SEARCH OF THE POLITICS OF DECENTRALIZED AID FOR
DEVELOPMENT**

PART I: IN SEARCH OF THE POLITICS OF DECENTRALIZED AID FOR DEVELOPMENT

I. Introduction

Despite the bulk of publications dealing with decentralized aid in many European countries, the determinants of regional engagement in decentralized aid for development policies have received little attention. A region's engagement in foreign aid is either taken as a given, from which to structure a descriptive analysis of the policy, or it is assumed that , regions' engagement in decentralized aid policies should somehow occur automatically as a result of changes in the agenda of international development

However, I contend that the nature of regions' engagement in decentralized aid policies poses important questions to our understandings of decentralized aid schemes. Decentralized aid is conceived in the literature as a step forward in ameliorating the instruments of international development co-operation. It is normally described as the quintessence of participatory development and democratic enhancement as well as being seen as a more efficient and transparent mode of implementing development aid. Furthermore, decentralized aid is seen as a new way of structuring north-south relations, moving away from the donor-recipient dichotomy towards the idea of partnership and mutual advantage.

Yet, all these virtues are attributed without questioning the actor's own motivations to engage in these policies. The literature has shown little about the politics behind decentralized aid for development. As a consequence, they miss important opportunities to evaluate the real nature of decentralized aid for development.

This dissertation examines decentralized aid for development from the viewpoint of the regions and tries to reveal the politics behind regions' engagement in decentralized aid. In doing so, this part will try to bridge the existing gap between two major bodies of literature: the literature on the determinants of foreign aid, and the literature on the determinants of regions' projection abroad. This dissertation contends that, in order to understand the politics behind decentralized aid, we have to differentiate between the analysis of decentralized aid as a political practice and the analysis of decentralized aid as a policy process. This dissertation mainly concentrates on the second type of analysis and tries to

present some theoretical hunches regarding a region's motivations to trigger decentralized aid programs. As we will see later, decentralized aid can be understood as the result of the combination of a process of demand structuring and supply structuring in which diverse institutional and non-institutional actors have an impact. Demands are structured by non-governmental institutions (NGOs) and organizations, which nevertheless respond to the logic of interaction with other actors, such as the State or EU institutions. Regions respond to these demands. Yet, the way in which supply is structured is affected by a region's interactions with the State and the EU, which constrains its decisional capacities. This dissertation contends that, within these frameworks of interactions, regions would engage in decentralized aid for development as a means of responding to specific issues of their domestic political agenda, which increasingly require the region's projection abroad.

The argument is structured as follows. First, we summarize the major contributions to the debate on the determinants of foreign aid for development. This debate is a common feature in the social sciences since the 1950's. Structured along the works of political scientists, sociologists, economists and international relations scholars, the debate has offered a myriad of explanations for state's engagement in foreign aid policies. Yet, as argued later, the debate has not been able to offer a definitive answer to the foreign aid puzzle. Firstly, the combination of different research traditions makes scientific exchange much more difficult. Second, the lack of conceptual rigour makes it very difficult to properly establish the terms of the foreign aid puzzle. Nevertheless, recent contributions might open an interesting avenue of research. Firstly, scholars, such as Marijke Breuning, have sought to clarify various issues at stake within the so-called foreign aid puzzle, thus proposing a distinct analytical framework for the analysis of the origins of foreign aid programs. Secondly, the procedural approach to the aid relationship presented by Paul Mosley seems to be an interesting point of departure for the analysis of the decentralized aid puzzle.

Secondly, I will summarize the literature on regions' external projection. Beginning in the 1970's, very much under the auspices of Transnational Theory in international relations, the debate on the international activities of regions has gained its own stance in the realm of regional studies. As I will try to show, later contributions that distinguish between the opportunity structure for regions' involvement abroad and the actual motivations, strategies and styles open up an interesting avenue of research.

Thirdly, drawing on the above mentioned elements of the literature, this dissertation tries to offer a theoretical framework for the analysis of regions' engagement in decentralized aid. As explained before, it takes as its point of departure the distinction between decentralized aid as a political practice and decentralized aid as policy process. Then, as previously explained, I focus on analysing the process of supply and demand structuring as a means of explaining regions' motivations to engage in decentralized aid politics.

Finally, I discuss the methods employed in this dissertation. I contend that a comparison of the most different cases is the most suitable way to test the validity of the argument exposed so far. Case-oriented comparisons allow a better assessment of the process of conjunctural causation and might help the researcher to build up better informed theories. Furthermore, the 'most different cases' research design is pursued as a means of covering the widest range of variation, thus permitting an enhanced assessment of the impact of different factors on our policy outcome.

II. The debate on the determinants of foreign aid

The debate on the origins of international aid policies has been a long standing feature in the social sciences, at least since the end of the Second World War, when the Marshall Plan gave birth to international economic assistance as we know it today³. Economists, political scientists, international relations theory scholars, moralists, philosophers and practitioners have discussed whether the final motivations of state engagement in foreign aid policies were to be found in economic interests, international policy strategic considerations, the capacity of recipient countries to make their case vis-à-vis donor institutions or in a true commitment to a distinct set of moral values.

II.1 Idealists vs. realists: the origins of the debate on the determinants of foreign aid in the fifties and sixties

Most of the elements of the current debate on international aid were settled during the fifties and sixties. According to David E. Baldwin, the two major strands of the debate on the determinants of foreign aid policies were, on the one hand, economic, mostly preoccupied with technical issues associated with economic development and the implementation of aid, and, on other hand, political – trying to ‘bring politics back in’ or to offer a ‘Political theory of Foreign Aid’⁴. Yet, according to Baldwin, most of this distinction was artificially constructed, since economists involved in the debate acknowledged the political nature of foreign aid. Moreover, he further argued that the plea for a ‘political approach’ to foreign aid lacked a definition of the political, thus obscuring rather than clarifying the stances for the scientific debate⁵.

Nevertheless, despite observers’ criticisms, political science and international relations theory were largely contributing to the establishment of distinct scholarly thought on the determinants of foreign aid policies. Hans Morgenthau, in his article ‘A Political Theory of Foreign Aid’, defines foreign aid as a necessary foreign policy instrument, since ‘*the*

³ Concessional transfers of money from rich to poor areas of the world have been a substantive feature of world politics ever since the nineteenth century, when colonial powers established the first ‘grant in aid’ or ‘budgetary subsidies’ schemes. Yet it is in early 1950’s that one sees the beginning of aid in its present-day sense, that is, as transactions between *sovereign states*.

⁴ See David A. Baldwin: ‘Analytical notes on foreign aid politics’, *Background* Vol. 10, No. 1 May 1966 pp. 66-90

⁵ See David A. Baldwin: ‘Analytical notes on foreign aid politics’ pp. 66-71.

*United States has interests abroad which cannot be secured by military means and for the support of which the traditional methods of diplomacy are only in part appropriate*⁶. Yet, following Morgenthau, after more than two decades, an intelligible theory of foreign aid 'providing for the standards of judgement for both opponents and supporters of a single measure' has to be developed⁷.

Morgenthau thus offers a typology of the different type of activities that can be defined as foreign aid. These activities are not exclusive but they might be in many ways compatible and complementary, depending on the situation. Thus, the appropriate type of aid to be employed must be determined 'in view of the overall goals of foreign policy'⁸.

Morgenthau argues that given its political nature, 'foreign aid is too important a matter to be left only in the hands of economists'⁹. As he further argues, 'foreign aid is not a science but an art. That art requires by way of mental predisposition a political sensitivity to the interrelationship among the facts, present and future ends and means. [...] Here as elsewhere in the formulation and conduct of foreign policy, the intuition of the statesman, more than the knowledge of the expert, will carry the day'¹⁰.

Morgenthau's proposal situates foreign aid under the overarching umbrella of international politics and consequently under the aegis of the national interest principle. As clearly evident from the article, the definition of a foreign aid strategy must take into account the conditions for its implementation. These include not only the political conditions and the economic needs of the recipient countries¹¹, but first and foremost the national interest of the donor country and how it is defined through foreign policy strategy¹². In Morgenthau's analysis this is indeed the *ultima ratio* determining the political nature of aid.

⁶ See Hans Morgenthau: 'A Political Theory of Foreign Aid'; *The American Political Science Review* Vol. 56, No. 2, June 1962 p. 301.

⁷ *Idem.*

⁸ Hans Morgenthau: 'A Political Theory of Foreign Aid' (op. cit.) p. 308.

⁹ Hans Morgenthau: 'A Political Theory of Foreign Aid' (op. cit.) p. 309

¹⁰ *Idem.*

¹¹ According to the author, conditions in the recipient country must be correctly assessed to ensure the efficiency of the policy implementation.

¹² See Hans Morgenthau: 'A Political Theory of Foreign Aid' (op. cit.) pp. 308-309.

Yet, Morgenthau's argument faced the opposition of the idealist school of foreign policy analysis. Scholars such as Herbert Feis tried to explain how superior moral concerns rooted on the notion of 'Humanitarianism' had inspired foreign aid policies¹³.

The notion of humanitarianism stresses our obligation as human beings to aid other human beings living in the worst conditions. It introduces the idea of a strong moral obligation based on the notion of shared humanity. According to this theory, each human being would have a moral duty to help his fellow beings. Thus, there would be a moral obligation for developed societies to act as far as possible in order to eliminate poverty in underdeveloped countries¹⁴.

Works of the idealist school sought to argue that these moral considerations permeated the definition of foreign aid policies in the United States, somewhat conflating scientific analysis with moral views on the issue. In Morgenthau's words: *'The very assumption that foreign aid is an instrument of foreign policy is subject to controversy. For [...] the opinion is widely held that foreign aid is an end in itself, carrying its own justification both transcending and independent of foreign policy. In this view foreign aid is the fulfilment of an obligation of the few rich nations toward the many poor'*¹⁵.

II.2 Empirics meets the realist vs. idealist controversy on the origins of aid programs

As Packenham notes in his 1966 article, the debate between idealists and realists has provided little empirical evidence to support either position¹⁶. In his words, the debate between realists and idealists could at best offer some plausible hypotheses and at worst largely meaningless polemic¹⁷.

Packenham's article presented an empirical test for both theories based on a number of personal interviews with aid agents. The results obtained showed the primacy of the realist

¹³ See Feis, Herbert (1964): *'Foreign aid and foreign policy'*; New York: St. Martin's Press.

¹⁴ See Singer, Peter: 'Famine, affluence and morality' *Philosophy and Public Affairs*, Vol. 1, No.3, 1972 pp. 229-243.

¹⁵ See Hans Morgenthau: 'A Political Theory of Foreign Aid' (op. cit.) p. 301.

¹⁶ Robert A. Packenham: 'Foreign Aid and the National Interest'; *Midwest Journal of Political Science*, Vol. 10 No. 2 May 1966 pp. 214-215.

¹⁷ See Robert A. Packenham: 'Foreign Aid and the National Interest' (op. cit.) p. 215

notion of national interest as the main verbal justification for foreign aid. According to Packenham, while national interest justifications were present in agent's discourse, both in the absence and in the presence of humanitarian considerations the reverse relationship could not be asserted¹⁸. In addition, Packenham's analysis showed how Morgenthau's realism was the most widespread and well-known body of theory among US foreign aid practitioners, thus certifying somehow the death of the idealist argument on the relevance of moral values in defining foreign aid policies.

Yet, Packenham's article only preliminarily resolved the controversy between idealist and realist. As the empirical evidence presented in his article shows, despite the primacy role played by considerations of the national interest, the subsidiary role played by humanitarian consideration needed to be explained, since one would expect that at the level of 'verbal justification', normative values would come first and calculation after.

The complex interrelationship between humanitarian and national interest arguments implied in Packenham's work partly devaluated trench warfare as a useful strategy for understanding the determinants of foreign aid. In other words, Packenham's article showed implicitly how more integrative approaches were needed in order to understand the determinants of foreign aid, rather than one-dimensional explanations based either on national interests or idealist hypotheses.

Gilbert R. Winham's 1970's article re-assesses the terms of the debate between national interest proponents and idealists¹⁹. His analysis of the determinants of the Marshall Plan showed how different considerations of the nation's economic interests alternated with concerns about national security and more normatively oriented arguments in practitioners' discourse.

The article studies the frequency of a number of themes in the political discourse of decision makers engaged in constructing the Marshall Plan. The major conclusion of this part of the analysis is that the notion of domestic interest played a major role in the definition of the Marshall plan.

¹⁸ See Robert A. Packenham: 'Foreign Aid and the National Interest' (op. cit.) p. 219

¹⁹ Gilbert R. Winham: 'Developing Theories of Foreign Policy Making: A case study of Foreign Aid'; *The Journal of Politics*, Vol. 32 No. 1 February 1970 pp. 41-70.

Yet, as Winham's article shows, there were several dimensions to the notion of domestic interest. Moreover, the article shows the important role played by a consequentialist vision of the policy on the part of policy makers. According to the evidence presented in the paper, policy designers had a clear idea of the limits and the consequences of both engagement and isolationism. Finally, the argument is completed by the diachronic analysis of the interaction of distinct discursive elements, showing how the pattern of political discourse adapted to the changing political scenarios of post-Second World War international relations.

Winham's article tried to establish new bases for the debate on the determinants of foreign aid. First, in opposition to the debate between realists and idealists in the 1950's and early 1960's, the major focus of his research is empirical, rather than theoretical. Second, as a result of this empirical focus, the research tended to assert the relative explanatory power of both realist and idealists hypotheses in an aggregated fashion rather than understanding it as a zero sum game. Third, Winham's argument on the determinants of aid is inclined to be more nuanced than the contributions of pure realists or idealists' to the debate. He was able to show not only the relative explanatory weight of every single hypothesis, but the overall structure of a long a complex decision-making process.

II.3 Beyond idealist and realists disputes: political economy and the second image in International Relations

The seventies bore witness to new developments in the scientific debate on the determinants of foreign aid programs. The changing conditions of the international environment had substantially altered the dynamics of foreign aid. Three of these changes deserve explicit attention: first, the increasing number of donors. Many countries that had benefited from the Marshall Plan in previous years achieved donor status during the sixties and seventies. A second factor was the changing nature of recipients. The process of decolonisation turned many former colonies into independent states, thus increasing the number of countries that could apply for foreign aid. A third significant element was the growing internationalisation and multilateralisation of development co-operation.

These transformations had important qualitative implications. The increasing number of both donors and recipient countries and the incipient multilateralisation of the aid regime changed the way foreign aid was defined and implemented as well as its normative significance.

As noted by R.D. McKinlay, '*the transfer of economic assistance from high to low-income countries had developed into an institutionalised aid relationship*'²⁰. All throughout the 1950's and 1960's, aid had acquired an increasingly good reputation as a policy instrument that could enhance recipient economies' capacity to accelerate growth. As stated in an article published in 1966, '*the possibilities of securing rapid and sustained development by effective use of foreign assistance have been strikingly demonstrated in the past decade by such countries as Greece, Israel, Taiwan and the Philippines*'²¹.

The 'impressive' record of foreign aid before the 'first decade of development' triggered a wave of optimism about the implications of its extension towards the newly independent countries. This wave of optimism resulted in a revival of the '*humanitarian or welfarist interpretation of aid*'²².

Mainly constructed according to the works of economists from the Modernization school, the idea was not only that foreign aid was the appropriate instrument to trigger economic growth²³, but also that it provided appropriate motives, that is, promoting economic and social development in least developed countries (LDCs). As Chenery and Strout comment, '*donors and recipients now agree that economic and social development is their primary objective*'²⁴.

²⁰ See R.D. McKinlay: 'The aid relationship: A foreign policy model and interpretation of the distributions of Official Bilateral Aid of the United States, the United Kingdom, France and Germany 1960-1970'; *Comparative Political Studies*, Vol. 11 No. 4 January 1979, p. 411.

²¹ See Hollis B. Chenery and Alan M. Strout: 'Foreign assistance and economic development'; *The American Economic Review*, Vol. LVI No. 4 Part 1, September 1966, p. 679.

²² As McKinlay refers to the branch of theories that sustained the humanitarian foundations of foreign assistance. See R.D. McKinlay: 'The aid relationship: A foreign policy model and interpretation of the distributions of Official Bilateral Aid of the United States, the United Kingdom, France and Germany 1960-1970' (op. cit.) p. 412

²³ Understood as a unilinear path. See Sylvia Maxfield, 'International Development' in Walter Carlsnaes, Thomas Risse and Beth A. Simons (eds.) 2002: '*Handbook of International Relations*' London: Sage Publications p. 464.

²⁴ See Hollis B. Chenery and Alan M. Strout: 'Foreign assistance and economic development' (op. cit.) p. 679

At the same time, the increasing amount of aid managed by multilateral organizations was perceived as the seed of a major change from a donor-oriented (which was identified with bilateral aid) to a more recipient-oriented policy. According to Roy Blough, *'there has certainly been a great increase in the recognition that the problem of economic development threatened the peace and security of all countries'*²⁵.

Nevertheless, the recognition of development as something more than a domestic problem was not accompanied by a *'proper use'* through multilateral institutions²⁶. As Blough notes, the strategies of donor and recipient countries in multilateral fora reflected the differences between rich and poor countries' perceptions of economic development and foreign assistance. The increasing power of LDCs in the context of the UN system resulted in the partial abandonment of these institutions on the part of donor countries. Thus, multilateral aid began to be mainly channelled through donor controlled institutions, such as the OECD/DAC or the World Bank²⁷.

In addition, by the mid 1960's the impetus of modernizers started to wane. Firstly, the analysis of the results of international economic development showed that the gap between developed and under-developed countries was increasing. Secondly, Modernization Theory's incapability to account for international inputs on domestic economic development, such as the impact of the so-called foreign exchange gap, gave way to increasing disillusionment²⁸. As Millikan states: *'the major characteristic of the past decade in the evolution of our perception of the nature of the economic and social development problem has been an increasingly realistic recognition of both the complexity of the problem and of the length of time necessary to make significant progress towards its solution'*²⁹.

The rise of Transnational Relations literature in the early seventies somehow helped to kept alive some of Modernization Theory's premises in the scientific debate. Modernization Theory's teleological vision of development was imported into Transnational Relations

²⁵ See Roy Blough: 'The furtherance of Economic Development', *International Organization*, Vol. 59 No. 3 'The United Nations: Accomplishments and Prospects' Summer 1965 p. 577.

²⁶ *Ibid.*

²⁷ Roy Blough: 'The furtherance of Economic Development' pp. 577-579.

²⁸ See Max F. Millikan, 'An introductory essay', *International Organization* Vol. 22, No. 1 'The global Partnership: International Agencies and Economic Development' Winter (1968) p.12.

²⁹ *Ibid. Ibid.*

Theory, to claim that '*modern societies are interdependent ones*'. Moreover, for Transnationalists '*all modern societies in interdependent situations acquire certain common political characteristics such as strong welfare pressures, bureaucratisation...*'³⁰.

Transnationalists' emphasis on the impact of international economic actors in the domestic sphere added to Modernization Theory. It was assumed that growing transnational connections propelled modernization and that international economic relations were salutary for developing nations³¹.

II.4 Dependency Theory, post-colonialism and the birth of the foreign policy model

The rise of Dependency Theory broke explicitly with the analytical framework of Modernization Theory, Transnational Relations and Complex Interdependence schools. According to James A. Caporaso, the Transnationalists' analysis of international economic transactions had focused on the importance of complex patterns of Interdependence. Yet the notion of complex interdependence should be distinguished from that of dependency. The former would include '*patterns of external reliance of well integrated nation-states on one another*', while the latter would refer to the '*complex set of relations centring on the incorporation of less developed societies into the global division of labour*'³².

Dependentistas stressed the unrepeatable nature of development. Conditions for economic development are settled by advanced capitalist countries. Since '*capital, organization, technology and military preponderance are in the hands of the core, the core countries are able to set the terms under which skill, capital and markets will be provided to the periphery*'.³³ Developing countries would be unable to allocate resources according to their internal needs or following an alternative vision of development. As a result they would be locked in a structure where benefits from growth would accrue disproportionately to the

³⁰ Edward Morse, quoted in Peter Gourevitch: 'The Second image reversed', *International Organization* Vol. 32 (4) 1978 pp. 881-912.

³¹ See Sylvia Maxfield, 'International Development' (*op. cit.*) p. 466

³² See James A. Caporaso: 'Dependence, Dependency and Power in the Global System: A structural and behavioural analysis', *International Organization* Vol. 32 No. 1 'Dependence and Dependency in the Global System' Winter 1978 pp.18-20

³³ See Peter Gourevitch: 'The Second image reversed' (*op. cit.*) p. 888

core. In sum, for Dependencistas, *'developing countries had much to lose and very little to gain from furthering international economic relations'*³⁴.

Increasingly systemic variables seemed to be at the core of international policy. In many ways, the impact of the international system was regarded by social scientists as an explanatory variable for domestic policy outcomes. In the case of north-south relations, the matrix of core-periphery capitalist relations was perceived more and more as a determinant for the political development of the south.

II.4.1 R.D. McKinlay and the foreign policy model

In 1979 R.D. McKinlay proposed his influential foreign policy model for understanding bilateral aid. In essence McKinlay's proposal does not particularly differ from the realist proposals of the sixties. Basically, the model stresses the preponderance of the donor's foreign policy interests in constructing foreign aid, vis-à-vis humanitarian explanations. Yet, the novelty resides in the combination of a behaviouralist kind of analysis and the systemic-oriented implications of his argument.

Robert D. McKinlay's contribution to the debate on foreign aid determinants expanded throughout the seventies. In a number of case-study analyses, the author tried to show the plausibility of his foreign policy model. However, we had to wait until 1979 to see all these case-studies merged into a broader comparative study.

The argument can be summarized as follows. To understand the foreign aid relationship we have to evaluate its utility to the aid donor. According to McKinlay, aid *'provides the utilities of commitment and dependence, which the donor can employ in the pursuit of its foreign policy'*³⁵. Firstly, commitment is defined as the *'process by which a state attempts to register its support for another state'*³⁶. Donating aid provides a *'clear demonstration of commitment to the recipient'*³⁷. Moreover, since demand for aid exceeds supply, the restricted allocation of aid would reinforce the idea of a special significance or commitment

³⁴ See Sylvia Maxfield, 'International Development' (*op. cit.*) p. 466

³⁵ See R.D. McKinlay 'The aid relationship: A foreign policy model and interpretation of the distributions of Official Bilateral Aid of the United States, the United Kingdom, France and Germany 1960-1970' (*op. cit.*). p. 413.

³⁶ *Idem.*

³⁷ *Idem.*

attached to the aid recipient. Secondly, dependence is defined as '*a relationship where one party relies upon the other without the reliance being reciprocated*'³⁸. According to McKinlay, four factors determine the relationship between aid and dependence: '*first, the donor is in a dominant position because it can terminate aid with little or no cost; second, the excess of demand places the donor in an advantageous bargaining position; third, the form of aid allows donor to intervene in the internal affairs of the recipient; fourth, repayment difficulties often require that the recipient reschedule its debts, which again places the donor in an advantageous position*'³⁹.

Then, McKinlay enunciates his foreign policy model. According to the author, the level of commitment and dependence established through the aid relationship is '*a positive function of the level of interest which the donor has in that recipient*'⁴⁰. The model's rationale is explained as follows: '*all states are concerned wherever possible to promote and protect their interests. The commitment and leverage potential inherent in aid provides the donor with a capacity to promote its interests. On the grounds that a state's desire to promote and protect its interests in any state will increase with its level of interest in the other state, we would expect the relationship outlined in the hypothesis*'⁴¹.

In other words, a donor's foreign policy interests are regarded as determinant for the establishment of an aid relationship. Given the characteristics of the aid relationship, namely commitment and dependence, foreign policy interests (which are the following: trading interests, security interests, power-political interests, development and performance interests and political stability and democracy interests) should explain a state's commitment to another state, (measured both as gross aid allocation and gross aid allocation/per capita GDP of recipient country), as well as a state's influence in that state, (measured by the recipient's bilateral aid receipt as a percentage of the GDP).

The empirical part of the article employs regression analysis to show the consistency of the model and validate the expected relationship between the identified dependent and

³⁸ *Idem.*

³⁹ 'The aid relationship: A foreign policy model and interpretation of the distributions of Official Bilateral Aid of the United States, the United Kingdom, France and Germany 1960-1970' (*op. cit.*) pp. 413-414.

⁴⁰ 'The aid relationship: A foreign policy model and interpretation of the distributions of Official Bilateral Aid of the United States, the United Kingdom, France and Germany 1960-1970' (*op. cit.*) p.414.

⁴¹ *Idem.*

independent variables for four major donors, that is France, Germany, the United Kingdom and the United States.

However, as stated before, the major consequences of McKinlay's analysis operate at a systemic level. According to the author, *'our proposition that aid provides the donor with commitment and dependence utilities is compatible with the imperialism assertion that dominant states employ control and influence strategies. Our proposition that donor interests underlie and structure the distributions of commitment and dependence is compatible with the imperialism argument that, in an environment of essentially unmoderated competition, states employ control and influence strategies in order to protect their interests and thereby preserve their dominance. Furthermore the interests profiled by our model accommodate both the political and economic interpretations'*⁴².

This is an unexpected turn in McKinlay's argument for one could certainly expect from the foreign policy model to sustain different normative implications. Yet the link between donor interests and imperialism is certainly interesting.

The 'aid relationship' is perceived as part of the broader matrix of core-periphery relations. Dependence theorists, and more radically neo-imperialism theorists, had claimed that increasing interdependence only served the interests of those who controlled the matrix, that is the core.⁴³ In similar vein, McKinlay's foreign policy model aims to show that at the last stance the aid relationship is an instrument of domination (this being of an economic or political character). As he states in the conclusion to the article: *'while there are important differences in the types of interests pursued and in how systematically and comprehensively the foreign policy orientations are developed, the aid relationships of each of the four major Western donors are compatible with the foreign policy interpretation of aid. Thus, in rather more general terms, the major Western bilateral aid programs can be seen as dimensions of different manifestations of contemporary imperialism'*⁴⁴.

Ultimately, for R.D. McKinlay it is the system of domination known as imperialism that explains the aid relationship beyond the donor's immediate foreign policy interests.

⁴² 'The aid relationship: A foreign policy model and interpretation of the distributions of Official Bilateral Aid of the United States, the United Kingdom, France and Germany 1960-1970' (*op. cit.*) p. 450

⁴³ See Peter Gourevitch: 'The Second image reversed' (*op. cit.*) pp. 888-891

⁴⁴ See 'The aid relationship: A foreign policy model and interpretation of the distributions of Official Bilateral Aid of the United States, the United Kingdom, France and Germany 1960-1970' (*op. cit.*) p. 452.

McKinlay's model finally stresses the systemic conditions under which the donor's interests are the *ultima ratio* for the aid relationship.

As a result, McKinlay's model seems to assume an extremely critical normative position regarding the aid relationship. Yet the author himself does not explore this question in depth, leaving only a few hints of the normative underpinnings of his research.

On more theoretical grounds, McKinlay's work not only provided a rather stylised model but also introduced new methodological elements to the study of foreign aid. In opposition to more qualitatively oriented research which has been previously analysed, McKinlay's work embraced a purely quantitative analysis. As we have seen, McKinlay builds a number of indicators or proxies with which he intends to operationalise a set of previously defined variables. On the dependent side, proxies measure the distribution of bilateral aid. On the independent side, the author employs different indexes which account for trade flows or the distinct position of countries in the world system. These measures are then correlated through regression analysis⁴⁵. McKinlay's work has in fact emerged as one of the most important contributions to the donor interests model for the analysis of foreign aid allocations rather than a major contribution to the study of domination relationships in the context of contemporary international relations.

⁴⁵ This methodology is consistent with the main proposals of the so-called Behaviouralist revolution in Social Sciences, which took place in the 1950's and 1960's, and the parallel debate between traditionalists and scientists in International Relations Theory. For an examination of this debate see Hedley Bull 'International Theory: The case for a Classical Approach' and Morton A. Kaplan: 'The new great debate: Traditionalism vs. Science in International Relations' both in Klaus Knorr and James N. Rosenau (eds.) 1969: '*Contending approaches to international politics*' Princeton: Princeton University Press. See also: Robert L. Pfaltzgraff Jr.: 'International Relations Theory: Retrospect and Prospects'; *International Affairs (Royal Institute of International Affairs)* Vol. 50 no. 1 January 1974 pp. 28-48.

II.4.2 An early revision of the foreign policy model? Albert O. Hirschman and the notion of asymmetry⁴⁶

Hirschman's contribution to analysis of foreign aid expands all throughout his work on the process of economic development. In 1957 Hirschman included foreign aid as part of the development process being its role 'to enable and to embolden a country to set out on the path for unbalanced growth'⁴⁷. Though, from this initial claim, Hirschman's contribution to the analysis of foreign aid may seem limited (or even naïve), hints of Hirschman's preoccupation for the impact of foreign aid on development, particularly in context of asymmetric political and economic relations, can be traced in all his work, particularly in his book *A bias for Hope* and in other articles such as *Beyond Asymmetry* published in the midst of the debates on Dependencia.

In *Beyond asymmetry: critical notes on Myself as a Young Man and on Some Other Old Friends*, Albert Hirschman defines himself as the founding grandfather of the dependency school. Particularly he refers to his book *National Power and the Structure of Foreign Trade* published in 1945. In this book, by focusing on the "structural characteristics of international economic relations that make the pursuit of power a relatively easy task" Hirschman anticipated for more than twenty five years the major contention of dependency theory⁴⁸.

However, Hirschman's contribution to the debate on dependency goes beyond claiming the paternity of the notion of dependencia. In this article he revises the notion of asymmetry

⁴⁶ Though most of Hirschman's works referred in this section were published much before McKinlay's foreign policy model was published, I believe Hirschman's contribution has to be analyzed within the context of the debates raised by the Dependencia School in the seventies, and particularly as a critique to the limits of the foreign policy model, for a number of reasons. First, because, as Hirschman himself recognises in an article published in 1978, he can be considered one of the founding grandfathers of the Dependencia school, whose major contentions can be found in his own work already in 1945. Second, because as a founding grandfather of the dependencia school, his analysis of the aid relationship is heavily influenced by elements of the foreign policy model. Third, because despite his alignment with the critical visions uncovered by dependentistas' analysis of international economic relations as an instrument of domination, his work goes a step forward offering analytical instruments which overcome the limits imposed by dependentistas' views on the nature of asymmetry in the international economic realm, which anticipates once again critiques that have been posed (in the realm of foreign aid) to the almighty foreign policy model.

⁴⁷ See: Albert O. Hirschman 1958: *The Strategy of Economic Development* New Haven: Yale University Press p. 205.

⁴⁸ See: Albert O. Hirschman: 'Beyond Asymmetry: Critical Notes on Myself as a Young Man and on Some Other Old Friends' *International Organization* Vol. 32 No. 1 'Dependence and Dependency in the Global System' Winter 1978 p. 46.

and its implications for the structure international economic relations including foreign aid relationships. Hirschman's (self-) critique to the idea of dependencia resides on the fact that once dependency theorists have invoked it in the analysis of international economic relations, they *hardly ever explore whether that system might contain the "seeds for its own destruction"*⁴⁹.

Summarizing his argument, Hirschman contends that asymmetric relations, particularly trade and investment relations, which may led initially to dependence of country B on country A, by increasing the resources at B's command, made it possible for B to pursue, by diversification and other means, a policy of lessening dependence, be it at the cost of some of these welfare gains⁵⁰.

This argument had been already taken into consideration in the book *A bias for hope: essays on development and Latin America* published in 1971, with particular references to the foreign aid regime. Albert Hirschman defines foreign aid as a Janus-faced phenomenon. First, it is an instrument for income redistribution from rich to poor countries. Second, in a world formed by sovereign nations, some of which are rich while others are poor, aid is a foreign policy instrument, which might be used to increase one nations' power in the international arena. Yet, as Hirschman further argues, the lack of institutionalization of foreign aid limits its scope both as an instrument for wealth redistribution and as an instrument for protection of national interest⁵¹.

In the chapter *The Stability of Neutralism*, which has been already published in 1964 as *The Stability of Neutralism: a Geometrical Note* in the American Economic Review, Hirschman resumes the dialectic nature of asymmetry and explores its implications for a Janus-faced foreign aid regime. The main contention of this article can be summarized as follows: the interaction between the political façade of aid and the economic redistribution façade cannot be resumed into a unidirectional process by which the donor state gains influence and allegiance from the weaker part in exchange of economic resources.

⁴⁹ Idem. p. 47.

⁵⁰ Idem. p. 49.

⁵¹ See: Albert O. Hirschman 1971: '*A Bias for Hope: essays on development and Latin America*' New Haven: Yale University Press. Quoted from the Spanish translation: Albert O Hirschman 1974: '*Desarrollo y América Latina: obstinación por la esperanza*' Mexico: Fondo de Cultura Económica p. 191.

On the contrary, Hirschman's model shows how aid recipient strategies and preferences have an input in the process by which the aid relationship is constituted. In his own words: *in contrast to the usual assumption of economic theory, the shapes of the [...] curves (which represent actors' preferences) are not independent, [...] they belong together and generate each other*⁵². Thus, weak parties in the aid relationship might take advantage of the characteristics of the system as to change the patterns of domination and maximise their own preferences. This argument is very much in line with Hirschman's revision of the notion of asymmetry as defined in Dependence's work.

The complexity of the politics of foreign aid as shown in Hirschman's *geometrical note* leads to a revision of the consequences of the interaction between politics and the economy as it is presented by the foreign policy model (i.e. the establishment and perpetuation of a system of domination or colonialism) much before the foreign policy model has even been formulated.

However, Hirschman contributions passed quite unnoticed. A brief analysis of the references quoted by McKinlay shows how any of the abovementioned articles is ever cited. What is more, a similar malady can be observed in later influential contributions (which will be analyzed in the forthcoming sections) such as Paul Mosley's revision of the foreign policy model in the eighties⁵³.

As a result, by the end of the seventies, the foreign policy model had strengthened the position of those so-called realists, who claimed that, at the end of the day, foreign aid served exclusively the foreign policy interests of the donor countries, whether in the form of a construction of a neo-colonialist system of domination, or on its more humble version, which included the protection of security and economic interests. As we will see in the next section, these positions remained unchallenged up to mid eighties.

⁵² See: Albert O. Hirschman: 'The Stability of Neutralism: A geometrical note' *American Economic Review* Vol. 54, No. 2. Part I (March 1964) p. 97.

⁵³ It should be noted that in a review of Hirschman's book *A Bias for Hope*, André Gunder Frank, labelled Hirschman's *critiques and appeals to the rich countries* a naïve appeal men of good will pointing out that Hirschman persists against all evidence and scientific analysis in his bias for reform mongering. See: André Gunder Frank: 'Review Article: A Bias for Hope: Essays on Development and Latin America; Politics and the Stages of Growth' *The Hispanic American Historical Review*, Vol. 53, No. 4 (November 1973) p. 665

11.5 Contemporary approaches to the 'foreign aid puzzle'

The donor interest model (foreign policy model) turned out to be the dominant school for understanding the foreign aid puzzle from the eighties onwards. The consensus constructed around the donor interest model permitted the growth of scholarly thought trying to further validate empirically the main theoretical propositions of the foreign policy model, and also provided a major argument for discussion by practitioners of foreign aid.

Practitioners would employ the donor interest model as the point of departure for criticising the foreign aid regime as excessively mediated by political considerations beyond the alleviation of poverty. This might be perceived in the following passage extracted from Roger Riddell's 'Aid in the 21st Century': *'since the end of the Cold War political and strategic reasons for providing aid have not disappeared but they have changed. The core challenge therefore lies in narrowing the gap between the significant medium and long term strategic political arguments for providing aid and the political will to do so.'*⁵⁴.

Yet, throughout this period a number of critical voices tried to bring new elements to the discussion of the foreign aid puzzle. In the nineties especially, authors have tried to overcome preponderance of the donor interest model by showing a different vision of foreign aid. The following sections show how contemporary scholars have tried to resolve the so-called foreign aid puzzle.

11.5.1 The recipient's need model revisited

As we have seen in the previous sections, the recipient's needs had been perceived as the underlying rationale of aid programs by a number of scholars. A recipient bias was identified in the works of humanitarianists or welfarists in the sixties and seventies. In addition, a recipient needs-oriented analysis was implicit in the humanitarian claims of the idealist school in the fifties.

The mid-eighties and the nineties witnessed a revival of such arguments. The increasing relevance of multilateral institutions as well as major changes in the structure of aid donors forced researchers to question some of the assumptions of the foreign policy model.

⁵⁴ See Roger Riddell, 1996: 'Aid in the 21st Century' United Nations Development Programme, Office of Development Studies Discussion Papers Series No. 6. p.2.

According to John Ravenhill, EU aid policy formulation greatly corresponds to the necessities of the recipient countries.⁵⁵ ACP countries would adopt a clientelistic position during the negotiations of aid programmes at European level, so they could redirect the outcomes of the negotiation process towards the satisfaction of their collective interests.

Ravenhill differentiates between two different strategies in the negotiations of aid programmes within multilateral organisations. First there is what Ravenhill calls horizontal collaboration, where the recipient countries gain relative weight in the multilateral forums by sharing a common position during the bargaining process vis-à-vis the donor countries. This horizontal collaboration turns into a very important weapon in global fora.

Second, the collective clientelism strategy takes place in more reduced decisional arenas. The LDCs combine their efforts to exploit the special links that connect them with the donor countries, trying to constitute an exclusive regime in which to establish and maintain relative advantages that are not available to non-member countries.

The collaborative strategies among the weaker parties within the framework of the multilateral decision process enables the LDCs to redirect its outcomes to a position that is more connected to their interest vis-à-vis the donor countries' interests.

In similar vein, Enzo Grilli's work supports the case for a recipient needs model⁵⁶. According to this author, aid flows are cyclical and depend on the budget and the balance of payments of the donor country. Yet, following Grilli, these elements can only explain variations in the amount of aid, or the main implementation features of a given aid policy, but cannot explain the motivations for aid, which, following this author, are to be found in the recipient countries' needs. Grilli analyses the aid policy of the European Union, concluding that there has been a clear change in the patterns of bilateral aid from donor interest to a more recipient need-oriented policy.

Yet, these approaches, even if they identify policy outcomes that cannot be understood following the dictates of a pure foreign policy model, leave untouched essential elements of the model's rationale. The recipient needs model, as it is defined in the previously analysed

⁵⁵ John Ravenhill 1985: *Collective clientelism: The Lomé Conventions and North-South relations*; New York. Columbia University Press.

⁵⁶ Enzo Grilli 1993: *The European Community and the developing countries*; Cambridge. Cambridge University Press

works, does not question the major role played by the notion of interest in the foreign aid relationship.

Foreign aid is still considered an instrument in the service of national interests. The novelty of these contributions resides in the identification of a new set of interests that might determine the aid relationship and the causal mechanism through which these interests operate. For instance, in the case of John Ravenhill's work, it is the collective bargaining capacities of LDCs that explain recipient-oriented policy outcomes, not a change in the logic of collective action underpinning the policy making process.

As a matter of fact, the debate between foreign policy and the recipient's needs models turns casuistic, or is at its best (if the scholar tries to evaluate the explanatory power of both hypotheses) a matter of degree. For instance, David Halloran Lumsdaine has claimed that '*probably about one third of aid can be attributed to direct donor self-interest.*'⁵⁷. If this information is correct, that would leave the other two thirds of aid to be distributed according to recipient's needs.

In the following sections, we explore contributions that sought to add new insights on the rather spurious debate between donor interests and recipient's needs models. These works problematise the notion of interests as it is presented in both models and stress the relevance of domestic politics in the definition of aid policies.

II.5.2 Overcoming the donor vs. recipient's interests controversy: foreign aid provision as a political process: Paul Mosley's contribution to the debate on the foreign aid puzzle

In 1987 Paul Mosley published his influential work '*Overseas aid, its defence and reform*'. This book was intended as a response to the critiques posed to foreign aid throughout the eighties. Furthermore, the book is a major contribution to a better understanding of international aid as a policy outcome, the functions it fulfils and how it should be reformed.

⁵⁷ See David Halloran Lumsdaine 1993: '*Moral Vision in International Politics. The foreign aid Regime 1949-1989*' Princeton: Princeton University Press. p. 41. Lumsdaine's statement should not be misunderstood however, since, as we will see later, he argues for a major change in our understanding of foreign aid. To Lumsdaine, recipient-oriented aid can be equated to humanitarian inspired aid.

Mosley's analysis points at two different but interrelated problems. First, he provides empirical evidence for a better understanding of the foreign aid regime, its record as a wealth re-distribution policy and the rationale behind it. Then, using the empirical evidence, he builds a threefold normative case for foreign aid policies as well as pointing out paths for further policy reform.

Mosley's analysis of the '*International politics of aid*' represents an attack on the predominance of McKinlay's foreign policy model. According to Mosley, '*Governments' own motives for fulfilling these functions [providing for foreign aid] go well beyond the desire to put leverage behind the compassionate motives felt by individuals*'⁵⁸. Yet, there is no empirical evidence to support that foreign aid serves the purposes of a neo-colonialist political program⁵⁹. First, aid is characterized as a weak instrument forging a case for political change in recipient countries. This is not to say that aid conditionality does not impose burdens on recipient countries' policies. Yet Mosley shows how the diversification of foreign aid has limited the real impact of political conditionality. Furthermore, according to Mosley's analysis recipient countries seldom undertake political reforms that do not already enjoy domestic political support⁶⁰.

Second, aid is shown as a weak instrument to garner political support for donor countries in multilateral fora. As a comparison of the aid records of major donors and the patterns of voting of major recipient countries in the UN Assembly shows, there is little correlation between the amount of aid received by a single country and the orientation of voting to favour one or the other donor country's initiatives. Finally, aid as an instrument of export promotion is no more effective. '*Aid seldom seems to induce follow-up orders or a lasting increase in market-share: the benefits it confers on the companies which it subsidises are transient and hence do not justify government intervention*'⁶¹.

⁵⁸ See Paul Mosley 1987: '*Overseas aid: Its defence and reform*' Sussex: Wheatsheaf books Ltd. p. 5

⁵⁹ Paul Mosley 1987: '*Overseas aid: Its defence and reform*' (op. cit.) p. 45.

⁶⁰ A similar argument has been posed by Thomas Risse-Kappen in his book '*Bringing Transnational Relations Back-in*'. According to him '*differences in domestic structures determine the variation in the policy impact of transnational actors*' See: Thomas Risse-Kappen: '*Bringing Transnational Relations Back-In: Introduction*' p. 25 in Risse-Kappen, Thomas (ed.) 1995: '*Bringing Transnational relations back-in: Non-State actors, domestic structures and international institutions*' Cambridge: Cambridge University Press

⁶¹ See: Paul Mosley 1987: '*Overseas aid: Its defence and reform*' (op. cit.) p. 233

At this point, Mosley's analysis shows how aid might be portrayed as a double-edged relationship. First, aid is determined by internal pressures in the donor countries from social actors, institutions and government departments, private actors and so forth. The impact of these actors determines decisions on the geographical allocation and sectoral distribution of resources as well as on the very definition of the overall aid budget. Second, the aid relationship is determined by non-domestic actors. In Mosley's words, *'in the past a clear perception of the aid process has been made difficult by the tendency of many authors to portray one or another actor as the sole controller of the manner in which aid is used. To do this is, of course, as misleading as to represent a child as being made exclusively by the mother or by the father'*⁶². According to Mosley, the recipient administration might be able to bias the implementation of aid as well as lobby donor countries to change their priorities on the geographical distribution of aid.

Then, after assessing the actual conditions under which international aid is issued, the author justifies aid on the ground of its record as an instrument of wealth redistribution among nations. Aid is portrayed as a public good, for which market provision alone is insufficient. He identifies a redistributive case, an allocative case and a stabilisation case for aid. The redistributive case is based on the *'value judgment that the conditions of life available to poorer people are not acceptable and should be relieved by transfers of income from those who have more'*⁶³. The allocative case is built upon the *'multiple imperfections in the market of capital investment and loan finance in developing countries'*⁶⁴. Finally, the stabilisation case for aid is based on *'the proposition that aid flows can augment world aggregate demand and relieve unemployment, particularly in developed countries.'*⁶⁵

Mosley's analysis incorporates some of the critiques we have posed before to the different strands of the literature on the determinants of foreign aid. First, he criticizes the unjustified emphasis of the foreign policy model on donor interests. According to him the foreign policy model might be at best a historically restricted phenomenon which cannot be imported into the understanding of contemporary international aid. Second, Mosley

⁶² Paul Mosley 1987: *'Overseas aid: Its defence and reform'* (op. cit.) p. 85.

⁶³ Paul Mosley 1987: *'Overseas aid: Its defence and reform'* (op. cit.) p. 12

⁶⁴ *Idem.*

⁶⁵ *Idem.*

devolves the analysis of foreign aid policy to the realm of domestic politics, by emphasizing the role of domestic actors in the policy making process. At the same time, he avoids the reductionist effects of donor interests vs. recipient needs debate by enlarging the range of the actors involved in the policy process to include recipient countries.

Mosley's understanding of the aid relationship is procedural. The procedural vision has a number of advantages vis-à-vis other modes of reasoning. First, it is more sensitive to changes in the context of foreign aid as political practice. As Mosley shows in his analysis, the practice of foreign aid has suffered substantial changes since the 1950's to the present day. Therefore, models willing to assess the nature of the foreign aid puzzle must acknowledge the changing conditions under which the aid phenomena takes place and the impact of these conditions on the decisions taken by agents.

Second, Mosley's procedural approach tends to be more sensitive to the way in which agents establish their policy preferences and the processes through which they alter them. As we saw when analysing McKinlay's foreign policy model, donors were mainly portrayed as power-maximizers, not including the constraints imposed by the nature of historical relations between donor countries and former colonies, or even the terms in which the power-broker identity was constructed. Mosley's procedural analysis, by identifying the different political agendas pursued by agents, should permit us to trace the patterns of policy preferences formation.

The following sections explore recent contributions to the debate on the foreign aid puzzle, which somehow have come to fill the path of research opened by Mosley's procedural analysis of the foreign aid relationship. Recent scholarly work has tried to link the rise of foreign aid regimes to the emergence of contemporary welfare systems, through the analysis of common ideological backgrounds underpinning the process of setting up both regimes. The work of Keohane and Goldstein and David Halloran Lumsdaine has in particular tried to incorporate this agenda of research into the analysis of foreign policy and more specifically the underpinnings of foreign aid policies. Finally, the so-called *Constructivist Turn* in International Relations (IR) Theory has reassessed the relationship between ideas and foreign aid by pointing at the process of mutual constitution and the role of identity in shaping policy preferences. The work of Marijke Breuning has tried to

illuminate the impact of *role conceptions* in the definition of foreign aid regimes. The next sections explore these issues at some length.

II.5.3 The domestic determinants of aid

The late eighties and the beginning of the nineties witnessed the emergence of a body of literature which tried to trace a parallel between domestic welfare provision and the State's engagement in foreign aid policies. According to Alain Noël and Philippe Thérien, '*Scholars often have interpreted the establishment and development of aid programs as an international projection of the income redistribution mechanisms that characterise the organization of social relations in developed countries*'⁶⁶. These authors maintain that both welfare policies and foreign aid responded to the same rationale of alleviating inequalities between rich and poor created and maintained by the market economy.

The link between domestic welfare institutions and foreign aid has been defined in three different ways. First, scholars sought to measure the relationship between a state's generosity *ad intra* and what was given *ad extra*. In order to do that, scholars compared a state's total expenditure on welfare policies measured in terms of the percentage of GDP with total disbursement of aid measured as an ODA/GDP ratio. Data for the years 1965-1988 for the members of the OECD showed a significant relation between both indicators.

This argument rested on the assumptions that the State is a consistent expender regardless of the policy field, on the emphasis of early research on the welfare state, and on the importance of modernization and industrialization as factors triggering the growth of the public sector. However, research on the birth and expansion of the welfare state has proven insufficient to understand variations in welfare state provision.

According to Castles and McKinlay, these hypotheses failed to incorporate the decisive impact of politics on social processes in general and on policy outcomes in particular.

⁶⁶ See Alain Noël and Philippe Thérien: 'From domestic to international justice: The welfare state and foreign aid'; *International Organization* 49, 3, Summer 1995 p. 524.

According to them party ideology (specifically the size of the major party on the right) was a relevant factor determining welfare provision⁶⁷.

The second strand of the debate aimed at assessing the impact of party ideology on foreign aid provision. Analogous to the alleged impact of left-wing ideology on welfare provision, left-wing ideology should favour greater foreign aid expenditure. As Olav Stokke explains, Nordic countries, where social democratic parties have been in power for a long time, rank among the leading development assistance contributors⁶⁸.

More recently, the analysis of the relationship between the colour of the party in office and foreign aid provision has been expanded to include Christian democratic parties. As Stokke argues, the norms in which Christian democracy is rooted are conducive to a generous stance towards the Third World because 'these norms are universal and do not stop at the borders of nation-states'⁶⁹.

Yet, quantitative analysis has shown that these correlations are less consistent than it may first appear. As Louis-Marie Imbeau's work shows, the correlation between the strength of the party on the left and the volume of aid provision is less significant than might be expected. According to him, '*what is important seems not to be which ideology is present but rather how is it translated into policy.*'⁷⁰. Imbeau further argues that the role played by the ideology of the party in office has to be understood as complementary to other factors, such as inertia, the donor's interests and the donor's perceptions of recipients' needs.

The uncertainty of the direct correlation of the ideology of the party in office and the provision of foreign aid led scholars to question whether ideology itself, or something deeper in the way the welfare state is constructed could account for the relationship between domestic welfare provision and the levels of international development assistance.

⁶⁷ See Francis G. Castles and R.D. McKinlay 'Public Welfare provision, Scandinavia and the sheer futility of the Sociological approach to politics' *British Journal of Political Science* Vol. 9 No. 2 April 1979 pp. 157-171

⁶⁸ See Olav Stokke (ed) 1989: '*Western Middle powers and Global poverty: The determinants of the Aid policies of Canada, Denmark, the Netherlands, Norway and Sweden*' Uppsala : The Scandinavian Institute of African Studies, in cooperation with the Norwegian Institute of International Affairs; Stockholm: Almqvist & Wiksell International pp. 9-33 and 275-317

⁶⁹ See Olav Stokke: 'Foreign Aid: What Now' in Olav Stokke ed. 1996: '*Foreign Aid towards the year 2000: Experiences and Challenges*' London: Frank Cass p. 22

⁷⁰ Louis-Marie Imbeau 1989: '*Donor Aid, The Determinants of Development Allocations to Third World countries: A Comparative Analysis*' New York: Peter Lang p. 155

Noël and Thérien sought to show, in an article published in 1995, '*political values and practices central to domestic politics as having a growing impact on international politics.*' More specifically, the aim was '*to establish how certain values and principles institutionalised within the states are reflected in the organization of relations between states.*'⁷¹. According to both authors, foreign aid is particularly affected by '*the capacity of a society to accept and institutionalise non-market principles of income redistribution.*'⁷².

Drawing on the literature on the 'types of welfare capitalism'⁷³, these authors sought to establish a relationship between the type of foreign aid provision and the kind of values structuring each of the models. Following Esping-Andersen, these authors believed that within '*each model, welfare programs are designed according to particular principles that were imposed through decisive conflicts over market and political processes.*'⁷⁴. Thus, belonging to one or another type of welfare capitalism should initially be a good predictor of a country's involvement in foreign aid policies. Moreover, Noël and Thérien claim that understanding the nature of the values asserted for each type of welfare state might help us to assess the qualitative differences between donors.

Following Esping-Andersen, both authors explore the attributes of the different types of welfare capitalism. These attributes are then correlated in the empirical analysis with foreign aid. Their results show how '*the more welfare states have socialist attributes, the more generous are their development assistance policies*'⁷⁵.

According to Noël and Thérien, these results are consistent with the claims made by an increasing body of the literature which studies the correlation between ideas, values and foreign policy. The next section will explore in greater detail the works of these new 'idealists'.

⁷¹ See Alain Noël and Philippe Thérien: 'From domestic to international justice: The welfare state and foreign aid' (*op. cit.*) p. 524.

⁷² See Alain Noël and Philippe Thérien: 'From domestic to international justice: The welfare state and foreign aid' (*op. cit.*) p. 549.

⁷³ They draw heavily on the seminal work of Gosta Esping-Andersen: '*The three worlds of welfare capitalism*'. Princeton: Princeton University Press

⁷⁴ See Alain Noël and Philippe Thérien: 'From domestic to international justice: The welfare state and foreign aid' (*op. cit.*) p. 538

⁷⁵ See Alain Noël and Philippe Thérien: 'From domestic to international justice: The welfare state and foreign aid' (*op. cit.*) p. 540.

II.5.4 'Ideas and Foreign Policy': can values, ideas and beliefs explain foreign policy outcomes?

In 1993 Judith Goldstein and Robert O. Keohane co-edited a volume whose main scope was to explain how '*ideas help to explain political outcomes, particularly those related to foreign policy*'⁷⁶.

Both authors identified the necessity of overcoming the narrow views of certain economists and political scientists to whom '*ideas are unimportant or epiphenomenal*'⁷⁷. This problem was even more evident in foreign policy analysis where, according to the authors, both realism and liberal institutionalism take rationalist models as their starting points. Thus, they claim to appropriately seize the role of ideas and identities in foreign policy.

Assuming reflectivist critiques on the role of values and identities in foreign policy, the scope of their research is to explain '*not whether identities matter, but how they matter and how their effects can be systematically studied by social scientists*'⁷⁸. Goldstein and Keohane try to define an analytical framework for the study of the impact of ideas on policy. In order to do so, they establish three different kinds of beliefs and outline three causal pathways by which ideas can affect policy.

Goldstein and Keohane's '*three types of beliefs*' would be the following. First, there are 'world views'. These are embedded in the symbolism of a culture and deeply affect the modes of thought and discourse. They are not purely normative since they include views about cosmology and ontology as well as about ethics. The second category would be that of 'principled beliefs', which consist of the normative ideas that specify right from wrong and just from unjust. Finally there are 'causal beliefs'. These are beliefs about cause-effect relationships which derive authority from the shared consensus of recognised elites.

Yet, the main question in Goldstein and Keohane's research is the conditions under which ideas might have an impact on policy outcomes. As they put it, '*the central issue of this*

⁷⁶ See Judith Goldstein and Robert O. Keohane: 'Ideas and Foreign Policy: An analytical framework' in Judith Goldstein and Robert O. Keohane (eds.) 1993: '*Ideas and Foreign Policy: Beliefs, Institutions and Political Change*', Ithaca: Cornell University Press p.3.

⁷⁷ See Judith Goldstein and Robert O. Keohane: 'Ideas and Foreign Policy: An analytical framework': (*op. cit.*) p. 4

⁷⁸ See Judith Goldstein and Robert O. Keohane: 'Ideas and Foreign Policy: An analytical framework': (*op. cit.*) p. 6.

*volume concerns causality: Do ideas have an impact on political outcomes, and if so under which conditions?*⁷⁹.

According to both authors, one of the most common problems in assessing the role of ideas in policy making is that scholars tend to claim the existence of a causal link between the ideas held by a politician and policy choices. As they further claim, *'it is crucial for anyone working on ideas and policy to recognize that the delineation of the existence of particular beliefs is no substitute for the establishment of their effects on policy.'*⁸⁰ Furthermore, both authors defend the necessity of providing evidence about the conditions under which causal connections exist between ideas and policy outcomes.

Goldstein and Keohane offer three different pathways through which ideas are expected to affect policy. First, ideas might *'serve as road maps'*. Individuals would use *'ideas to determine their own preferences or to understand the causal relationship between their goals and alternative political strategies.'*⁸¹ Second, ideas might operate *'as focal points or glue.'* *'Ideas would alleviate co-ordination problems arising from the absence of unique equilibrium solutions.'*⁸² Finally, *institutionalisation of ideas* determines a third avenue of influence. According to Goldstein and Keohane, *'once ideas have influenced the policy design their influence would be reflected in the incentives of those in the organization and those whose interests are served by it'*⁸³.

Following this path of argumentation David Halloran Lumsdaine claims that *'foreign aid cannot be accounted on the basis of economic and political interests of the donor countries alone; the essential causes lay in the humanitarian and egalitarian principles of the donor countries and their implicit belief that only on the basis of just international order in which all states had the chance to do well was peace and prosperity possible'*⁸⁴.

⁷⁹ See Judith Goldstein and Robert O. Keohane: 'Ideas and Foreign Policy: An analytical framework': (*op. cit.*) p. 11

⁸⁰ *Idem.*

⁸¹ See Judith Goldstein and Robert O. Keohane: 'Ideas and Foreign Policy: An analytical framework': (*op. cit.*) p. 12

⁸² See Judith Goldstein and Robert O. Keohane: 'Ideas and Foreign Policy: An analytical framework': (*op. cit.*) p. 17

⁸³ See Judith Goldstein and Robert O. Keohane: 'Ideas and Foreign Policy: An analytical framework': (*op. cit.*) p. 20

⁸⁴ See David Halloran Lumsdaine 1993: *'Moral Vision in International Politics. The foreign aid Regime 1949-1989'* (*op. cit.*) p.30

Lumsdaine's work combines the analysis of the reasons provided by those people advocating for aid with the analysis of policy implementation for the OECD/DAC countries for the period 1949-1989.

The author argues that *'the character of international politics is not wholly determined in advance by an unvarying human nature or international system, but reflects moral choices which become embodied in the regular patterns of international affairs'*. [...] *Individual national policies and the international system reflect moral choices, good and bad, which are bound up with differing outlooks and interpretations of what international politics is about.*⁸⁵. Moreover, *'calculations are social products that draw upon and interpret existing practice'*⁸⁶.

Lumsdaine presents three interrelated arguments on the impact of ideas and values on international politics. First, a country's international politics will be linked to the values and assumptions and practices of its domestic politics. Second, a country's international politics will reflect the international society in which it finds itself. Third, the practices of international politics are meaningful actions whose logic influences and modifies a state's goals and vision.

Following from these general considerations, the author identifies three major hypotheses to be applied to the foreign aid puzzle. Firstly, domestic values influence the values states adopt in international politics. The author claims that extended support for foreign aid in donor countries and the limits of the domestic debate might seriously confine the explanatory value of the existence of a distinct set of motivations on the part of politicians rooted in the notion of national interest. Furthermore, in line with the 'domestic determinants of aid school', he insists on the existing link in the arguments of those supporting domestic redistribution and those supporting foreign assistance⁸⁷.

Secondly, the author claims that the process of establishing foreign aid regimes reflected the growth of internationalism and the desire to construct a better international order.

⁸⁵ See David Halloran Lumsdaine 1993: *'Moral Vision in International Politics. The foreign aid Regime 1949-1989'* (op. cit.) p. 62

⁸⁶ See David Halloran Lumsdaine 1993: *'Moral Vision in International Politics. The foreign aid Regime 1949-1989'* (op. cit.) p. 63

⁸⁷ See David Halloran Lumsdaine 1993: *'Moral Vision in International Politics. The foreign aid Regime 1949-1989'* (op. cit.) pp. 63-64

According to Lumsdaine, the power of these ideas is reflected by the growing importance of arguments of enlightened self-interests which sought to establish a case for aid rooted on the necessity of establishing a more secure and prosperous international society. At the same time, Lumsdaine claims that aid became a mark of proper participation in the responsibilities of developed countries⁸⁸.

Finally, Lumsdaine argues that the aid practice helped the progressive institutionalisation of both domestic values and those held at the international level as determinants of the aid regime. Meanwhile, following Lumsdaine, change in the aid regime seems to be essentially norm-oriented⁸⁹.

Lumsdaine's work, inspired by Goldstein and Keohane's 'new idealism', illuminates some of the pathways identified by the later authors as determinants in the causal relation between ideas and policy making. Yet, Lumsdaine's argument is deeper. Rather than checking the impact of ideas on a specific policy issue, he claims a radical change in our vision of politics. As he states, '*despite ever-present flaws of human character and the pressures of the international system, it is sometimes possible for moral principle and human fellow-feeling to have a consistent effect on foreign policy [...] the larger argument of the book is that moral vision shapes international politics. How states act often reflects the values and principles they hold. While we are not in full control of events, our choices accumulate and help shape the kind of world we live in, and for which we then bear responsibility*'⁹⁰.

This argument opens up the Pandora's box of the origins of moral choice. Yet, nothing in Lumsdaine's work nor the analytical framework proposed by the 'ideas matters school' can help us to evaluate the conditions under which moral choice is constructed.

Ultimately, both the research programs of the ideas matter school and the work of Lumsdaine tend to reify ideas to an extent. Ideas about the common good and how it should be implemented through specific policy schemes are taken as exogenous to the decision

⁸⁸ See David Halloran Lumsdaine 1993: 'Moral Vision in International Politics. The foreign aid Regime 1949-1989' (op. cit.) pp. 65-68

⁸⁹ See David Halloran Lumsdaine 1993: 'Moral Vision in International Politics. The foreign aid Regime 1949-1989' (op. cit.) p. 68.

⁹⁰ See David Halloran Lumsdaine 1993: 'Moral Vision in International Politics. The foreign aid Regime 1949-1989' (op. cit.) pp. 283-284

making process. Both ideas and moral values have an impact on policy implementation, yet this impact is not independent from agents. As the research agenda of the 'ideas matter school' shows, politicians engage in political bargaining processes blinded by their conceptions about the adequate way of distributing policy resources to fulfil normative requirements posed by moral concerns, ideology or policy paradigms.

Yet, nothing is said about the way in which these normative exigencies are shaped in the process. It is true that actors are moulded by normative considerations, yet, by the same token, actors are able to re-shape norms and values to make them fit with specific requirements of the bargaining process. The impact of ideas on policy making has to be interpreted as a bi-directional process rather than as a unidirectional impact.

In similar vein, but dealing with impact of culture on regional economic policy outcomes, Michael Keating *et al.* have argued that '*if we are to bring culture back in, we need to cast it in a more sensitive way*'⁹¹. According to him, the word culture has been used to cover a myriad of social phenomena and it has been too often '*invoked as a deus ex machina, to explain whatever cannot be explained by other more concrete social and economic variables*'⁹². Culture and identity are perceived as important elements in regional mobilisation. Yet this does not preclude treating culture as a residual or something that itself cannot be explained. As he further claims, culture, values and social norms cannot be assumed to be primordial. '*Culture and identity, rather, are being made and remade*'⁹³.

A perennial view of culture is therefore discarded. In this author's words, '*values identity and self-understandings can, in fact, change very rapidly at key historical junctures, and they remain fixed for long periods as the lessons from history are relearned and simplified to sustain dominant self-images*'⁹⁴. Therefore, culture and identity are both the conditions under which political leadership operates and the product of that leadership.

The next section will offer a review of the work of constructivists in IR, or as they have been labelled by Goldstein and Keohane, the reflectivist school. In opposition to the 'ideas

⁹¹ See Michael Keating, John Loughlin and Kris Deschouwer 2003: '*Culture, Institutions and Economic development: A study of eight European Regions*.' Cheltenham, U.K.: Edward Elgar. p.26.

⁹² *Idem.*

⁹³ *Idem.*

⁹⁴ *Idem.*

matter school' constructivists have sought to explain the conditions under which norms, values and identities shape the process of constitution of agency at the international level.

II.5.5 The reflectivist school approach to the 'foreign aid puzzle': the social construction of policy preferences

The *constructivist turn*⁹⁵ in IR Theory represented a reaction against the reifying research program of realism and liberal institutionalism. Structured along Alexander Wendt's claim '*anarchy is what the states make of it*'⁹⁶, it challenges the realist notion of an unchanging reality in international politics, emphasising the role of communicative action and discourse and the effect of identities and norms in defining the actor's behaviour⁹⁷.

Constructivism, in any of its multiple versions, contends assumed preferences of political actors in the international arena: specifically, the problems posed by the notion of national interest protection as the sole basis for an actor's behaviour in the international realm. The constructivist research program tries to show the contingency of these elements and shed light on the processes of preference formation as the result of multifaceted processes of social interaction.

Constructivism has deep philosophical roots in the "science wars" (otherwise called "culture wars" or "Freud wars") between "realist" and "relativist" in the philosophy of science⁹⁸. Yet, in Hacking's words, '*talk about social construction has become common*

⁹⁵ This label is borrowed from Checkel. See Jeffrey T. Checkel, 'The constructivism turn in International Relations Theory', *World Politics* 50 1998 pp. 324-48.

⁹⁶ See Alexander Wendt 'Anarchy is What States Make of it: The Social Construction of Power Politics', *International Organization* 46, no. 2 1992 pp. 391-425

⁹⁷ I acknowledge that this might seem a rough caricature of a rather complex and extensive body of literature. Indeed, scholars such as Maja Zehfuss have claimed that this way of understanding the constructivist turn in IR is misleading since it over-stresses the relevance of what she considers the non-existing debate between rationalist and constructivist in International Relations Theory. See Zehfuss, Maja (2002): '*Constructivism in International Relations: The politics of Reality*'; Cambridge: Cambridge University Press. Ch.1. Yet, I reckon it somehow reflects some of the most valuable characteristics of constructivism in the social sciences, namely, its capacity to contend the necessity of a given phenomenon, or at least to question the normative underpinnings of commonly accepted interpretations on the nature of social phenomena.

⁹⁸ See Ian Hacking 1999: '*The Social Construction of What?*' Cambridge Mass.: Harvard University Press p.4.

*coin, valuable for the political activist, and familiar to anyone who come across current debates about race, gender, culture or science*⁹⁹.

According to Hacking social constructivist's that talk about X tend to hold that:

- 1 'X need not have existed, or need not be at all as it is. X or X as it is at present, is not determined by the nature of things; is not inevitable'

As Hacking further argues, they often urge that:

1. 'X is quite bad as it is'
2. 'We would be much better off if X were done away with, or at least radically transformed'¹⁰⁰.

This way of structuring the normative and the philosophical roots of the argument has an intense revolutionary effect. Yet, as Ian Hacking recognizes, there are different degrees of commitment to the normative project of social constructivism. In fact, as he points out quite clearly, one can contend the contingency of X at step 1 without embracing propositions 2 and 3.

However, more relevant for our purposes in this section than the revolutionary character of social constructionists work, is the fact that social constructionists' arguments about X needs from X tend to be taken for granted. In Hacking's words, *'people begin to argue that X is socially constructed precisely when they find that:*

0. In the present state of affairs, X is taken for granted; X appears to be inevitable'¹⁰¹.

This statement works as a precondition for a social constructionist thesis about X. As Hacking states, contractual or institutional objects need not be questioned on the grounds of the constructionist thesis since everybody acknowledges that these objects are the result of historical events and various social processes¹⁰².

In the specific realm of international development, aid authors such as Marijke Breuning have contended against the donor interests model that the origins of the State's policy

⁹⁹ See Ian Hacking 1999: *'The Social Construction of What?'* (op. cit.) p.2.

¹⁰⁰ See Ian Hacking 1999: *'The Social Construction of What?'* (op. cit.) p. 6

¹⁰¹ See Ian Hacking 1999: *'The Social Construction of What?'* (op. cit.) p 12.

¹⁰² *Idem.*

preferences in the aid realm are to be located in a broader understanding of the international role of a given State.

According to Breuning, the study of the processes of issue categorization, '*the manner in which groups of decision makers configure issue areas in foreign policy*,' represents an interesting avenue of research¹⁰³. Yet, as she further argues, showing the differences between the representations of decision makers in different states does not explain the origins of such differences in categorization.

Following Breuning's analysis, individual ontology constrains the manner in which problems can be represented and, consequently, the choices that are judged to be adequate responses. Yet, representations are regarded as social phenomena which have their roots in historically developed practices. As she further states, '*certain historical experiences extend their grasp across time and shape the social context within which decision makers are embedded*'¹⁰⁴. Thus, understanding the roots of the processes of issue categorization entails systematic comparison of what is common and what is distinct in the historical experience of the cases analysed.

According to Breuning, perceptions of the historical past of the polity, especially polity defining moments, determine the way in which the international role of the polity is perceived and, consequently, the questions to be faced and possible responses to those questions¹⁰⁵.

Breuning's comparison of the Netherlands and Belgium shows how the existence of a heroic perception of national history in the former, vis-à-vis the perception of a long colonial past and a paternalistic sense of responsibility in the latter, would better explain,

¹⁰³ See Marijke Breuning: 'Configuring Issue Areas: Belgian and Dutch representations of the role of Foreign Assistance in Foreign Policy' in n Donald A. Sylvan and James F. Voss (eds) 1998: '*Problem representation in Foreign Policy Decision Making*' Cambridge: Cambridge University Press p.303.

¹⁰⁴ See Marijke Breuning: 'Configuring Issue Areas: Belgian and Dutch representations of the role of Foreign Assistance in Foreign Policy' (*op. cit.*) p.304

¹⁰⁵ Theories stressing the relevance of cognitive processes factors for understanding the international policy of a given unit have a long tradition in International Relations Theory. See for instance K.J. Holsti, 'National Role Conceptions in the Study of Foreign Policy'; *International Studies Quarterly* No. 14 1970 pp. 233-309; and N. B. Wish, 'Foreign Policy Makers and their National Role Conceptions'; *International Studies Quarterly* 24 1980 pp. 532-54. The constructivist turn in I.R. Theory has tried recently to reassess its value as explanatory factors for actor's behaviour in the international arena See Lisbeth Aggestam 1999: '*Role Conceptions and the Politics of Identity in Foreign Policy*'; Oslo. ARENA Working Paper no. 8. pp.1-15

the differences between Belgian and Dutch foreign assistance policy than other structural factors (such as party coalitions and institutional structures)¹⁰⁶.

The emphasis on problem representation and role conceptions introduces some concerns on the role of identity in analysing a political actor's behaviour in the international arena. As we have seen, Breuning's analysis stresses the importance of cognitive frameworks in the definition of policy preferences. Actors are portrayed as interpreting political reality in terms of specific conceptions of their historical past, as well as their political role given the current state of affairs. An actor's identity turns out to be a fundamental explanatory factor for its behaviour in the international arena. A given actor's behaviour can be explained by analysing the way in which identity shapes its understanding of the environment in which it has to operate, and consequently the responses to the challenges posed by this environment.

Yet Breuning's analysis tends to reify the notion of identity, somehow '*undermining the possibility of proper constructivist analysis*'¹⁰⁷. Breuning's article utilises the history of her two case studies from where she chooses a number of specific identity markers. These are later used as explanatory variables for the differences in self-perceptions put forward by Belgium and the Netherlands.

This method of structuring the argument tends to forget the contingent nature of the factors that she claims determine an actor's self-perception and consequently its behaviour. As Maja Zehfuss points out, '*Identities depend on concrete articulations*'¹⁰⁸. Conversely, Breuning's analysis seems to take identity markers as a given.

The result, as has been pointed out before, is that Breuning is unable to explain the politics of construction of an actor's self-perception. Consequently, she is not able to check the real explanatory power of her argument.

¹⁰⁶ See Marijke Breuning: 'Configuring Issue Areas: Belgian and Dutch representations of the role of Foreign Assistance in Foreign Policy' (*op. cit.*) pp. 326-327.

¹⁰⁷ See Maja Zehfuss: 'Constructivism and Identity: A dangerous liaison' *European Journal of International Relations* 2001 vol.7(3) p. 316

¹⁰⁸ See Maja Zehfuss: 'Constructivism and Identity: A dangerous liaison' (*op. cit.*) p. 347 As Zehfuss further argues: '*the fascinating, subtle creation of the subject in the process of telling history, and thus identity, is not part of an analysis which starts by postulating subjects. Hence, political questions, for instance about how subjects come to be in the first place, are ignored.*' See Maja Zehfuss: 'Constructivism and Identity: A dangerous liaison' (*op. cit.*) p. 342.

The result would have been rather different if she had remained with the analysis of the co-variation between actor's self perceptions and policy outcomes. Yet, as we have seen, she claimed to be able to offer an account of the social origins of an actor's self-representations. I contend that it is not enough to examine national histories searching for identity markers in order to explain an actor's self-perceptions. On the contrary, a proper analysis of the processes of identity construction is needed.

Breuning's analysis begins from a misleading understanding of the distinction between structural variables and cognitive factors. Instead of articulating them in a unique explanatory framework, she sets up one type of factors against the other. As a result, she fails to offer an account of the process of identity formation which proves critical to her analysis of the co-variation of role conceptions and international policy outcome.

However, constructivism, and particularly Breuning's analysis of the aid policies of the Netherlands and Belgium, has opened interesting avenues of research in order to resolve the so-called foreign aid puzzle. Firstly, questioning the origins of actors' preferences, in other words emphasizing the constructed nature of policy priorities in the aid realm is an important step forward in order to overcome the spurious debate between the donor interest and recipient needs model. Moreover, it should permit a better assessment of the role of ideas and values in policy-making.

Secondly, at a methodological level, as Marijke Breuning has claimed convincingly, constructivist analysis applied to the foreign aid puzzle has shown the need for new categories in order to understand the origins of agency in the realm of foreign development assistance.

As Marijke Breuning has argued, the analysis of foreign aid policies had traditionally used indicators such as the geographical allocation of aid or the total amount of funds to validate claims on the preferences of actors. It is assumed that by describing what has happened we can understand why it did happen. Yet these two types of questions entail rather different analytical strategies. Analysing the construction of policy preferences requires a two-step analysis of the policy process, first, an analysis of the policy making process. Marijke Breuning proposes the use of factors such as role conceptions or agents' self-perceptions, which can be traced through the use of different discourse analysis techniques. Second, the

results of this kind of analysis can be further tested against indicators of policy implementation, which might show the consistency between policy preferences put forward by actors and the process of policy implementation, where actors' preferences meet each other in complex bargaining processes.

Whereas one can agree more or less with the array of factors and the analysis put forward by Marijke Breuning, it is clear to me that the deeper critique put forward by constructivism to the foreign aid puzzle remains valid. Constructivism poses interesting questions on the origins of policy preferences. It may also permit a better assessment of the process of mutual constitution between ideas and agency. Yet, it should be noted that despite the promising avenue of research opened by social constructivism for the analysis of the origins of aid programs, much remains to be done in order to come up with a broad explanatory framework for the foreign aid puzzle.

II.6 The unresolved foreign aid puzzle

As we have seen in previous sections, the debate on the so-called foreign aid puzzle is a long standing feature of the social sciences. Scholars from multiple fields have questioned the rationale behind aid-giving since the early fifties. Yet as clearly emerges from the brief summary of the literature presented so far, the debate on the foreign aid puzzle has not reached a satisfactory conclusion.

First, it seems that the debate involves too many disciplines each of which claim to have privileged access to the rationale of foreign aid. Since the early fifties a great deal of the scientific debate on foreign aid has tried to resolve matters of disciplinary boundaries. On one side, economists have offered stylised models that account for the so-called foreign aid relationship. On the other side, political scientists and International Relations Theory scholars claimed the political nature of foreign assistance, thus trying to drag the foreign aid puzzle out of the hands of economists. The problem of boundaries delimitation led to spurious exchanges among scholars who sought to tackle similar questions when they were looking at the same phenomenon from rather different points of view.

This led to the second problem of the debate on the origins of foreign aid, namely that it conflates too many dimensions of the phenomenon of foreign aid in a single question, or a

single set of questions. As we have seen, foreign aid can be studied from a multiplicity of angles. McKinlay's work focuses on the *aid relationship* and tries to unfold the rationales behind the patterns of aid allocation; whereas, for instance, Paul Mosley looks at the aid puzzle by focusing on the agents and the decision-making processes underpinning development aid schemes. Noël and Thérien look at the co-variation between values informing the constitution of domestic welfare structures and the degree of state engagement in foreign development assistance, whereas Marijke Breuning sees aid as the result of broader processes of identity construction.

All this scholarship is seen as a contribution to the foreign aid puzzle debate. Yet, my contention here is that the debate is quite artificially created, since the works mentioned above contribute to the understanding of different dimensions of the aid phenomenon, which cannot always speak to each other. Returning to the examples mentioned before, McKinlay's contribution seems to illuminate much of the rationale underpinning aid allocation decisions, yet is far less clear how can we connect this to the rationale behind the very act of giving aid. Yet, as we have seen most of the contemporary debate on the origins of foreign aid policies is structured as a response to the 'donor's interest model'. The debate among scholars is rather ill-defined, precisely because the foreign aid puzzle is seen as a one-dimensional phenomenon. As a consequence, everyone dealing with political phenomena related to foreign aid seems entitled to claim to hold the solution to the puzzle itself.

In addition to the above mentioned problems, the debate on the origins of foreign aid (ill-defined as it is) has provided a huge amount of scholarship that has to be taken into account in this research for a number of reasons. Firstly, it reminds us of the necessity of properly defining our research questions. This requires, when dealing with multi-dimensional political phenomena such as foreign aid or decentralized aid for development, the careful selection of which dimension within the broad puzzle we are trying to analyse.

Secondly, on more substantive theoretical grounds, contributions from the debate on the foreign aid puzzle might help us to better define our theoretical instruments for the analysis of the origins of decentralized aid. Mosley's analysis of the decision-making process underpinning foreign aid policies seems to be very much in line with the scope of this

dissertation, whereas a constructivist analysis seems to offer an interesting avenue of research for questioning our understanding of the processes of policy making.

As we have said before, Mosley's emphasis on the procedural elements through which the aid relationship is established opens up an interesting avenue of research. Firstly, it is more sensitive to changes in the context of foreign aid as political practice. As Mosley shows in his analysis, the practice of foreign aid has suffered substantial changes since the 1950's to the present day. Therefore, models willing to assess the nature of the foreign aid puzzle must acknowledge the changing conditions under which the aid phenomena takes place and the impact of these conditions on the decisions taken by agents.

Second, Mosley's procedural approach tends to be more sensitive to the way in which agents establish their policy preferences and the processes through which they alter them. As we saw when analysing McKinlay's foreign policy model, donors were mainly portrayed as power-maximizers, not including the constraints imposed by the nature of historical relations between donor countries and former colonies, or even the terms in which the power-broker identity was constructed. Mosley's procedural analysis, by identifying the different political agendas pursued by agents, should permit us to trace the patterns of policy preferences formation.

What is more, as we already saw, constructivist analysis, by emphasising the constructed nature of policy priorities in the aid realm, is an important step forward in order to overcome the spurious debate between the donor interest and recipient needs model.

As Marijke Breuning has argued, the analysis of foreign aid policies had traditionally used indicators such as the geographical allocation of aid or the total amount of funds to validate claims on the preferences of actors. It is assumed that by describing what has happened we can understand why it did happen. Yet these two types of questions entail rather different analytical strategies. Analysing the construction of policy preferences requires a two-step analysis of the policy process, first, an analysis of the policy making process.

As we have already seen, Marijke Breuning proposes the use of factors such as role conceptions or agents' self-perceptions, which can be traced through the use of different discourse analysis techniques. Second, the results of this kind of analysis can be further tested against indicators of policy implementation, which might show the consistency

between policy preferences put forward by actors and the process of policy implementation, where actors' preferences meet each other in complex bargaining processes.

Yet, these or other theories must be applied carefully. The debate on the origins of foreign aid is very much a state-oriented debate. Thus, we cannot simply transpose a theory which is designed to deal with state rationales into the analysis of sub-state units' rationales. The problem here is one of level of analysis but it also relates to more substantive problems on the characteristics of our units of analysis. One could argue that, whereas the state is a sovereign unit, regions are simply autonomous units. This has an impact on the modes and capacities for political action, and therefore on our scientific categories. Thus, before moving to the construction of an analytical framework of regions' engagement in decentralized aid policies, we have to come to terms with the contributions of the literature on the international activities of sub-state unit's.

III. The debate on the determinants of constituent units' involvement abroad

The debate on a region's involvement in foreign policies has been a long and fruitful one. Starting in late seventies and heavily influenced by International Relations Theory, it has come to a point in which the international activities of the regions are understood, not only as part of broader changes in the structure of international politics but also a part of a process of territorial politics restructuring. The following sections would try to offer a picture on this debate. As we will see later, exploring the nature of a region's involvement in the international arena is extremely useful if we are to understand the politics behind regional engagement in decentralized aid for development policies.

III.1 Transnational politics, complex interdependence and the rise of the research agenda on constituent units' involvement abroad

In the early seventies the scientific agenda of international interdependence offered a theoretical framework for understanding the increasing participation of non-state actors in international relations. In their seminal work, Robert O. Keohane and Joseph S. Nye claimed the incapacity of the realist paradigm in International Relations Theory to explain the emergence of new systems of governance at the international level.¹⁰⁹

According to them, the political agenda of international relations could be split into two major realms: first, the realm of high politics, centred on security issues, where the role of the states is central; second, the realm of low politics, which included most issues of economic governance, where actors other than the State played a relevant role in the definition and the implementation of the political agenda.

The breach between high and low politics was brought by the increasing internationalisation of economic and social exchanges. As a consequence, many of the issues included in the agenda of low politics could not be managed without the assistance of private actors, such as multinational corporations, or international organizations, which began to gain weight as counterparts in different decisional arenas.

¹⁰⁹ See Robert O. Keohane and Joseph S. Nye 1977: *'Power and Interdependence: World Politics in Transition'*; Boston: Little Brown.

At the same time, the increasing technical complexity of the agenda of low politics reinforced the role of specialized departments and advisory committees which lay beyond the limits of traditional State bureaucracy¹¹⁰.

The agenda of interdependence helped the development of a research agenda centred on the international activities of constituent units. In the seventies this agenda was mainly concentrated on the trans-border activities of border regions and on the economic dimension of trans-sovereign contacts¹¹¹.

III.2 The rise of paradiplomacy

Yet, despite the stimulating results of the combination of both transnational politics and the complex interdependency agendas in International Relations Theory with comparative federal studies, the demise of the former in the early eighties results in the partial abandonment of the study of sub-state actor's international activities.

The mid-eighties witnessed the re-emergence of a body of literature, within the realm of comparative federal studies and the renewed theory of federalism, devoted to the international activities of federated constituencies¹¹². The theoretical debate was partially structured along the lines originally defined by the eruption of transnational politics and complex interdependence in International Relations Theory, and its application to the realm of federal studies. Yet it introduced new elements for the analysis of sub-state units'

¹¹⁰ See Dehousse, Renaud 1991: '*Fédéralisme et relations internationales: Une réflexion comparative*'; Bruxelles :Bruylant p. 92.

¹¹¹ As shown by Renaud Dehousse, scholars paid increasing attention to trans-border relations as an example of the new conditions for governance at the regional level. See Dehousse '*Fédéralisme et relations internationales: Une réflexion comparative*' (op. cit) p. 93-96. As has been stated elsewhere, '*necessity is the mother not only of invention but of adjustment; [...] Necessity in this case has to do with economic realities, ranging from metropolitan agglomerations that cut across state and national borders to economic development needs.*' See p. XX of the Introduction by Daniel J. Elazar in Ivo. D Duchacek, Daniel Latouche and Garth Stevenson (eds.) 1988: '*Perforated Sovereignities and International Relations: Trans-Sovereign contacts of Subnational Governments*'; Connecticut: Greenwood Press. This statement captures not only the state of mind among scholars about the international activities of sub-state units, but also the increasing perception among practitioners about the increasing importance of an international dimension in sub-state domestic governance.

¹¹² See Iñaki Aguirre: 'Making sense of Paradiplomacy? An intertextual enquiry about a concept in search of a definition', in: Aldecoa, Francisco and Michael Keating (eds.) 1999: '*Paradiplomacy in Action: The Foreign Relations of Subnational Governments*'; London: Frank Cass. p. 187

involvement abroad. These elements brought by scholars such as Ivo D. Duchacek or Panayotis Soldatos can be summarized under the concept of paradiplomacy.

The concept of paradiplomacy first appeared in the works of Ivo D. Duchacek¹¹³. The concept was used to describe the international activities of non-central governments¹¹⁴. The underlying assumption was that in order to grasp the nature of regions' international activities, one must look to the realm of domestic politics.

According to Daniel Latouche, the *'foreign initiatives of subnational actors should be considered less a result than an illustration of a new interdependent international context.'*¹¹⁵ As he further claims when analysing the case of Quebec's international politics, there are very few authors that attempt to link *'Quebec's attempts at becoming an international actor with the on-going process of nation- and state-building which has characterized this province ever since the Quiet Revolution'*¹¹⁶. He concludes that *'to understand Quebec foreign policy, we must take into account not only the internal articulation of its own state-building process (and the specific configuration of forces which gives it life) but also its position within the overall Canadian statist space'*¹¹⁷ In sum, part of the new research agenda was preoccupied with the domestic sources of sub-state units' international activities.

Panayotis Soldatos and Hans Michelmann situate paradiplomatic activities in the broader context of centre-periphery relations. According to these authors, paradiplomacy might be the result of the major crisis at the federal level. In his own words, *'territorial segmentation, as a phenomenon of policy and actor segmentation, at the level of the*

¹¹³ Iñaki Aguirre cites Duchacek's book "The Territorial Dimension of Politics: Within, Among and Across Nations" as one of the first works mentioning the word Paradiplomacy. See Iñaki Aguirre: 'Making sense of Paradiplomacy? An intertextual enquiry about a concept in search of a definition' (*op. cit.*) pp. 187-188

¹¹⁴ Despite the efforts of authors such as Duchacek, Soldatos, Michelmann or Latouche, the real explanatory scope of the concept of paradiplomacy remains rather unclear. Much space from the above mentioned author's work has been devoted to establishing a taxonomy of different paradiplomatic activities, yet clear definitions have not been achieved. In this respect, equating paradiplomacy with the international activities of sub-state units might seem a rather simplistic way of summarizing a rather complex debate. Yet, it can be argued that despite the many adjectives added to the concept of paradiplomacy throughout the works of the authors mentioned above, its essence always referred to the international activities of sub-state units.

¹¹⁵ See Daniel Latouche: 'State Building and Foreign Policy at the Subnational Level' p. 33 in Ivo D. Duchacek, Daniel Latouche and Garth Stevenson (eds.) 1988 *'Perforated Sovereignities and International Relations: Trans-Sovereign contacts of Subnational Governments'* (*op. cit.*)

¹¹⁶ *Idem.*

¹¹⁷ See Daniel Latouche: 'State Building and Foreign Policy at the Subnational Level' (*op. cit.*) p.34

*federated units, represents in a sense a phenomenon of crisis of the nation-state and its federal government*¹¹⁸.

Yet, as he further recognises, paradiplomacy does not necessarily respond to a conflictual representation of centre-periphery relations since an actor's segmentation in foreign policy can result from co-ordinated decentralization rather than conflictive appropriation. As Panayotis Soldatos claims, *'decentralization could enhance the efficiency in external relations and become a remedy for the crisis of the nation-state in foreign policy [...] in other words, the elites' capacity to adapt and respond to actors' segmentation, with a conflict-resolution mechanism, coherent machinery for the articulation and aggregation of interests and a process of development of complementarities in foreign action could transform the crisis into a process of rationalization, whereby actors' segmentation does not become policy segmentation and subnational Paradiplomacy helps to rationalize the whole policy process'*¹¹⁹.

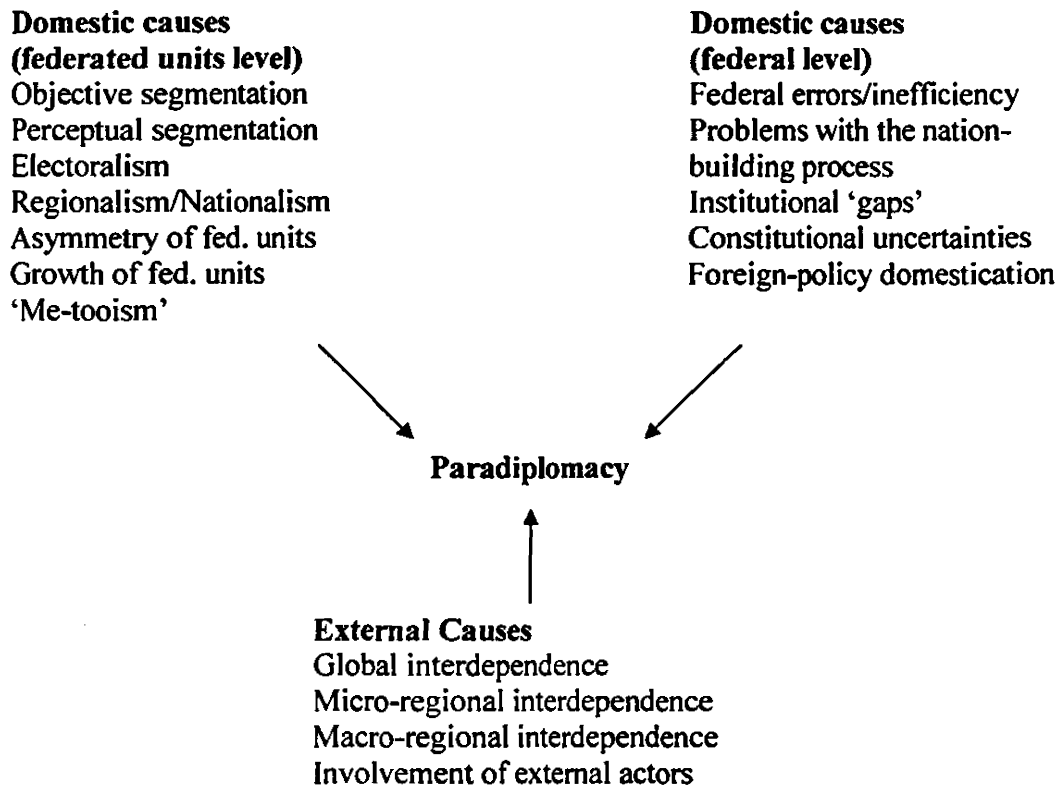
Panayotis Soldatos concludes that the whole array of determinant factors for paradiplomacy is linked to the above mentioned crisis-rationalization process in a federal state. He presents a typology of two different categories of factors¹²⁰. First, there are domestic determinants which can be subdivided in two different sub-categories, federated unit level determinants and federal-level determinants. Second, there are external determinants. According to the author these determinants are interrelated, yet they do not all need to be present at once. The whole list of determinants, or causes as he further denominates them, can be summarized in the following figure extracted from the author's work.

¹¹⁸ See Panayotis Soldatos: 'An explanatory framework for the study of Federated States as Foreign-Policy Actors' in Hans J. Michelmann and Panayotis Soldatos (eds.) 1990: *'Federalism and International Relations: The role of Subnational Units'*; Oxford: Clarendon Press. p.41

¹¹⁹ See Panayotis Soldatos: 'An explanatory framework for the study of Federated States as Foreign-Policy Actors' (*op. cit.*) p.42

¹²⁰ See Panayotis Soldatos: 'An explanatory framework for the study of Federated States as Foreign-Policy Actors' (*op. cit.*) p.44

Figure 1: Determinants of Paradiplomacy¹²¹



It is interesting to note however how the author, after presenting this taxonomy of variables, does not explore the alleged inter-relations among them by trying to establish different combinations of domestic and external factors. Soldatos enumerates the possible influence of every single variable in the constitution of his dependent variable, i.e. paradiplomatic activities. Yet, it seems quite clear that the influence of regionalist and nationalist ideologies at the federated level might be dependent on the degree of completion of the nation-building process (and vice versa), or at least be related to it.

The problems for Soldatos' taxonomy do not finish here. The problems derived from unexplored inter-category relations are complemented by the existence of intra-category patterns of relation among variables, which question the alleged independency of many of the variables. For example, at the federated unit level set of causes, one could argue that

¹²¹ Extracted from Panayotis Soldatos: 'An explanatory framework for the study of Federated States as Foreign-Policy Actors' (*op. cit.*) p. 45.

objective segmentation's (defined as the geographical, cultural, linguistic, religious and political characteristics distinguishing a federated unit from one or more others) impact on the configuration of paradiplomatic activities is dependent on the existence of regionalist/nationalist movements able to politicise these differences, thus creating a situation in which *perceived segmentation* necessarily has to mediate between objective segmentation and paradiplomacy.

In sum, despite the efforts of the author, the enlisted variables seem to be anything but independent. Their impact on the dependent variable seems to be mediated by other alleged independent variables, thus providing an unclear account of the patterns of causation.

Even if the work of Soldatos *et al.* in the realm of the international involvement of sub-state units does not provide us with a satisfactory taxonomy of the variables underpinning paradiplomatic activities, they managed to shift the emphasis from a research agenda almost exclusively centred on the effects of complex interdependency as an explanatory factor towards a more domestically concerned research program.

As we have seen, the work of the Ivo D. Duchacek and his followers examining the concept of paradiplomacy somewhat devolved the study of the international activities of constituent units to the realm of regional and federal studies, separating it partially from the influence of International Relations Theory.

III.3 Globalisation and regions' involvement abroad

The mid-nineties saw the emergence of a new group of scholars who understood regions' engagement in foreign policy as part of the broader changes brought about by the processes of globalisation and European integration. According to Brian Hocking, globalisation has blurred the traditional frontier between domestic and foreign politics. Instead of a clear-cut separation between these two realms, politicians face a reality which is characterised by the existence of a continuum between the domestic and the international spheres. The question would not be whether sub-state units are developing new forms of diplomatic activities leading to a distinct foreign policy from that of the central government, but to what extent

the changes brought by increasing globalisation are affecting the configuration of diplomacy and foreign policy¹²².

In Hocking's words, '*Non Central Governments are located in a complex diplomatic milieu which does not recognise the exclusive territories of the domestic and the international but blends both together in various ways [...] here international diplomacy is regarded not as a segmented process presided over by undisputed gatekeepers but as a web of interactions with a changing cast of players which will interact in different ways depending on the issue, their interests and capacity to operate in a multilevel political environment*'¹²³.

Sub-state actors operate in this intermestic (international/domestic) context, by engaging in multi-level decision making processes. Crucial decisions for domestic governance are increasingly taken in multi-level bargaining processes where the articulation of actors and preferences is not clearly defined *ex ante*, but changes according to the issue at stake. In this way, '*diplomacy has assumed a domestic dimension which [...] is crucial to its success*'¹²⁴.

According to Hocking, the new research agenda proposed under the concept of multilayered diplomacy represents an attempt at fitting the international activities of Non Central Governments into the changing patterns of world politics. Moreover, the concept of Multilayered Diplomacy tends to emphasize the patterns of linkage between levels of political authority and activity. by abandoning the image of conflict offered by the concept of paradiplomacy, Multilayered Diplomacy would operate a '*Copernican Revolution in relation to former approaches to NCG's behaviour in foreign activities since these activities are no longer studied from a purely state-centric point of view*'¹²⁵.

Brian Hocking's emphasis on multilayered diplomacy aims to change our frame of mind. Sub-state units' activities in the international realm should no longer be interpreted as an anomaly. As Hocking claims, the international order is not determined by a single

¹²² See Iñaki Aguirre: 'Making sense of Paradiplomacy? An intertextual enquiry about a concept in search of a definition' (*op. cit.*), p. 198

¹²³ See Hocking, Brian 1993: '*Localizing Foreign Policy: Non-Central Governments and Multilayered Diplomacy*' ; New York: St. Martin's Press p. 36

¹²⁴ See Hocking, Brian 1993: '*Localizing Foreign Policy: Non-Central Governments and Multilayered Diplomacy*' (*op. cit.*) p. 3

¹²⁵ See Iñaki Aguirre: 'Making sense of Paradiplomacy? An intertextual enquiry about a concept in search of a definition' (*op. cit.*), p. 201.

gatekeeper any more, but is the result of the conjunction of a multiplicity of actors. In this context the international projection of sub-state units can be only understood as paradoxical if we keep on believing in the existence of a state-centric order at the international level.

However, as Ngaire Woods states¹²⁶, the impact of globalisation varies according to the strength of domestic structures and the different issues analysed. Globalisation as such can not be conceptualised as more than a constraint influencing, but not determining, political decisions at the regional level, where other sets of factors come into play.

It is true that globalisation has had an impact on the configuration of centre-periphery relations, as well as having altered the contemporary notion of boundary (from an impermeable barrier to a porous tissue), thus modifying the distinction between domestic and international orders. Yet Brian Hocking's emphasis on these elements of change should be counterbalanced by an assessment of the impact of domestic structures on the multilayered diplomatic agenda. Moreover, it should be analysed why some regions are in a better position to take advantage of the opportunities of increasing globalisation and supranational integration whereas other regions don't show such interests. As we claimed before when analysing the contribution of the literature on paradiplomacy, domestic factors are important in the configuration of sub-state units' international profiles.

III.4 Opportunity structures, motives and strategies: a new research agenda for the analysis of constituent units' involvement abroad.

In more recent times, John Kincaid's work on constituent diplomacy presents a new way of understanding the challenges posed by globalisation as an explanatory factor and its impact on the establishment of sub-state tiers' diplomatic activities. According to him, the rise of constituent diplomacy (i.e. foreign relations of sub-state units) can be attributed to the increasing economic interdependence associated with globalisation.

Yet, as he notes early on, this explanation is only partially correct. According to him, the first era of globalisation, which took place during the nineteenth century until the First World War, did not result in the increasing participation of sub-state units in international affairs.

¹²⁶ Ngaire Woods (ed.) 2000: *'The political economy of globalization'* Basingstoke : Macmillan p.12.

Rather this period witnessed a process of increasing concentration of powers in the hands of the State's administration¹²⁷.

Stated in other words, it is true that increasing interdependence has favoured the sub-state actor's engagement in international politics. However, as shown by the concentration of international relations in the hands of the State during the first era of globalisation, the effects of interdependence might or might not favour a sub-state unit's engagement in international politics. Thus, the initial question for John Kincaid would be how can we qualify this new era of globalisation to explain the rather different impact it has had on the configuration of international politics?

The specific features of our historical period allowing for constituent diplomacy would be the following: first, *the staggered path of democratisation since the Second World War*. In a nutshell, democratic polities had allowed, even encouraged, sub-state tiers to develop international activities, whilst non-democratic regimes did not tolerate this practice. Furthermore, the rise of social movements in the 1960's and 1970's turned sub-state political arenas into fora for both political debate and political activism. The second feature was *the rise of intergovernmentalism*. According to Kincaid, sub-state tiers of government had sought to inter-governmentalise international affairs as means of responding to the pressures of the economic and political affairs of sub-state units. Third, *the rise of the human rights movement* helped national, ethnic, religious and linguistic communities to assert communal rights as distinct societies deserving of recognition, self-government and as distinctive voices in national and international affairs. The fourth element was *decentralization*, which in the context of contemporary globalisation has been re-defined to include certain forms of constituent diplomacy. Fifth, *market liberalization* compelled regional and local tiers of government to compete in the international arena. The sixth factor was the policies of the United States, which tried to build up international institutions, drive globalisation, support democratisation and provide security for the construction of the EU. Seventh, technological innovation has spurred constituent diplomacy by blurring the physical limits of international communications. Finally,

¹²⁷ See John Kincaid 'Foreign Relations of Sub-national Units: Constituent Diplomacy in Federal Systems' in Raoul Blindenbacher and Arnold Koller (eds) 2003 '*Federalism in a Changing World- Learning from each other: Scientific Background, proceedings and Plenary Speeches of the International Conference on Federalism 2002*' Montreal: McGill-Queen's University Press pp. 74-83.

constituent diplomacy reflects the diffusion of innovation within and between federal democracies.

Yet, he further insists that the impact of these elements must be separated from the role played by the process of supranational integration, and the motivations of constituent diplomacy. According to Kincaid, the process of European integration is so wide and so deep that the concept of constituent diplomacy might no longer apply to sub-state political activities within the EU. At the same time, he identifies four reasons why regions should have an interest in putting forward an international profile. These reasons are: first, problems derived from new issues in economic governance; second, the politics of regional culture and cultural promotion; third, political reasons such as the protection of a constituent community's position or status in international arrangements or the assertion of nationality and legitimacy; fourth, cross-border housekeeping, or the existence of specific issues that have a cross-border dimension and therefore cannot be tackled without the co-operation of other sub-state partners.

In sum, Kincaid provides a complex explanatory framework for sub-state international activities. Kincaid's analysis offers a three-fold explanation in which globalisation, supranational integration and a region's own motives would be the major factors. This explanatory framework adds to Brian Hocking's process of localization of foreign policy, the idea that despite all the changes taking place at international level, there is something inherently regional about regional engagement in international activities.

In similar vein, Michael Keating has offered a classification of sub-state actors' motivations to act internationally, distinguishing them from the opportunity structure and the strategies and styles in the policy field¹²⁸. According to him, there are political, economical and cultural reasons that explain, from the point of view of sub-state units, their involvement in foreign affairs. *"Economically regions seek investment, markets for their products and technology for modernization [...] Regions with their own language or culture also seek resources and support in the international arena [...] Finally, regions have a variety of political reasons for entering in the international arena. For example those with nationalist*

¹²⁸ See Michael Keating: 'Regions and International Affairs: Motives, Opportunities and Strategies' Francisco Aldecoa and Michael Keating (eds.) 1999: *'Paradiplomacy in Action: The Foreign Relations of Subnational Governments'* (op. cit.) p. 2

*aspirations seek recognition and legitimacy as something more than mere regions [...] External projection may also serve by a reverse effect to help nation-building "at home" or for "internal region-building"*¹²⁹.

Both Kincaid and Keating introduce an important distinction between (using Kincaid's words) '*factors that have given rise to constituent diplomacy*'¹³⁰ and the '*motivations for constituent diplomacy*'¹³¹. Sub-State actors interpret the political challenges posed by increasing globalisation and supranational integration to adapt them to the necessities of their domestic political agenda. At the same time, the way in which sub-state actors adapt to these challenges creates new conditions for political action as well as altering the structure of incentives for further participation in specific policy fields.

This method of understanding constituent units' engagement in international politics opens up an interesting avenue of research. Later sections will explore it in the context of our research on the determinants of a region's engagement in decentralized aid policies.

¹²⁹ See Michael Keating: 'Regions and International Affairs: Motives, Opportunities and Strategies' (*op. cit.*) p.3

¹³⁰ See John Kincaid: 'Foreign Relations of Sub-national Units: Constituent Diplomacy in Federal Systems' (*op. cit.*) p. 74

¹³¹ See John Kincaid: 'Foreign Relations of Sub-national Units: Constituent Diplomacy in Federal Systems' (*op. cit.*) p. 81

IV. The decentralized aid puzzle

IV.1 Introduction

So far we have looked at the different theories trying to account for the so-called 'foreign aid puzzle', that is, the determinants of foreign aid. This section brings the discussion undertaken so far into our research question. The main task is to establish a theoretical framework for the analysis of the 'decentralized aid puzzle'. This theoretical framework tries to combine elements from the literature on the motivations for foreign aid provision with the literature on New Regionalism and regions' involvement abroad.

In previous sections we have analysed the contributions of two distinct bodies of literature. Firstly, we have analysed the contributions to the debate on the origins of foreign aid. This is a long standing debate in the social sciences; scholars from different scientific realms have tried to resolve the so-called foreign aid puzzle. That is, the paradox of self-interested states transferring money and resources in concessional terms to poorer areas of the world.

Secondly, we have discussed major contributions to the debate on the determinants of the foreign projection of sub-state units. Initially circumscribed within the debates on complex interdependence and transnational politics, this debate has evolved towards the realm of regional and federal studies, where scholars sought to provide explanatory models for the foreign projection of sub-state units.

The analysis of both debates has helped us to contextualise better the nature of the research question we are dealing with in this dissertation, since the research question presents important commonalities with both the debates on the origins of foreign aid policies and the debates on the origins of sub-state units' foreign projection.

Yet, as I have tried to argue in the previous section the analysis of the origins of decentralized aid policies cannot be framed exclusively within any of these debates. The contributions to the debate on the origins of foreign aid policies have been centred on the analysis of state-level policies. Transposing these models to the realm of decentralized aid would imply assuming that regions and states "behave" following a similar rationale or, to put it in a different way, that states and regions face a similar structure of incentives and constraints.

Similarly, recent contributions to the debate on the foreign projection of sub-state units have opened-up an interesting avenue of research. Yet, policy implications of the models distinguishing the opportunity structure from the motivations of regional actors have not been fully explored in the specialized literature. Thus, careful operationalization of these contributions into the realm of decentralized aid for development is required.

The following sections try to apply the procedural approach to the analysis of the 'decentralized aid puzzle'. I shall recall the distinction between the opportunity structure, the motivations and the strategies and policy styles, established in Michael Keating's and John Kincaid's works on the projection of sub-state units abroad.

The analysis of decentralized aid as a practice is disentangled from that of decentralized aid as a policy outcome. This will permit us to integrate findings from the literature on decentralized aid with a more region-focused analysis of the politics of a region's engagement in decentralized aid policies. As I will argue later, decentralized aid as a political practice is the result of a major change in the way the relation of sub-state units to economic growth is conceived. This change is dependent both on a major process of restructuring in the notion of regional autonomy, and on a different way of understanding the relationship of institutions and economic development. In the case of the European Union, these processes crystallized in the establishment of decentralized aid schemes in the context of European development policy.

Regions' engagement in decentralized aid policies, that is, decentralized aid as a policy outcome, is then explained as the result of the interactions between a distinct set of institutional and non-institutional actors within the above mentioned framework. As we will see later, regions face demands from actors in civil society. A region's response is very much mediated by its position regarding other actors, such as the State or the European Union. It is argued that the specific geometry of these interactions determine the different agendas of decentralized aid in any given case.

IV.2 Recasting the research question: constitution and causation.

It is common currency in the social sciences to distinguish between descriptive inference and causal inference¹³². Both kinds of inference are supposed to play a major role in the social sciences' endeavours. Descriptive inference has been related to what Hollis and Smith have called *understanding* a given social phenomena, whereas causal inference is part of the process of *explaining* social phenomena¹³³.

Explaining and understanding have been perceived by Hollis and Smith as diverse activities in social research. Explaining is understood as an approach to the social sciences by which one attempts to find causal mechanisms and social laws, whereas understanding aims to recover the individual and shared meanings that motivated actors to do what they did¹³⁴.

As Alexander Wendt has correctly pointed out, both ways of approaching social phenomena tend to be cast one against the other in a zero-sum struggle for scientificity¹³⁵. The question would be whether any of these forms is closer to the canon of scientificity of the natural sciences and therefore is superior to the other. Yet, as he further claims, the difference between explaining and understanding resides in the nature of the research question we are dealing with. Following David Sylvan, Alexander Wendt claims that we can take '*explainers to be asking causal questions*', basically 'why' type questions, whereas '*understanders ask constitutive ones*', basically 'what' questions or 'what-made-possible' types of questions¹³⁶. He therefore proposes a question-oriented approach to the distinction between constituents and causes, which does not prejudice the scientificity of one particular approach, but tends to cast both ways of approaching social phenomena in an inclusive and pluralist manner.

The contemporary debate on the origins of foreign aid can be structured along the constituent vs. causality division. Marijke Breuning's argument on the need for more accurate methodological instruments to analyse the foreign aid puzzle to some extent

¹³² See Gary King, Robert O. Keohane and Sidney Verba: '*Designing Social Inquiry: Scientific inference in Qualitative Research*' Princeton: Princeton University Press, Chapters 2 and 3

¹³³ See Alexander Wendt: 'On constitution and causation in International Relations' *Review of International studies* Vol. 5 1998 p. 104.

¹³⁴ See Martin Hollis and Steve Smith 1990: '*Explaining and Understanding International Relations*' Oxford: Oxford University Press pp. 3-7

¹³⁵ Alexander Wendt: 'On constitution and causation in International Relations Theory' (*op. cit.*) p.102

¹³⁶ Alexander Wendt: 'On constitution and causation in International Relations Theory' (*op. cit.*) p.103

pointed to this problem. As we have stated before, Breuning criticises the donor interest and the recipient needs models on the basis that they sustained a causal link between interest and policy outcome in the analysis and description of the later. According to her, proper instruments for the analysis of motivations, which do not infer a causal link from the descriptive analysis of politics, were needed.

Studying the international projection of constituent units, Michael Keating and John Kincaid have distinguished the analysis of '*the rise of paradiplomacy*' from the question of '*why regions go abroad?*'¹³⁷. The rise of paradiplomacy has been explained as the result of a major process of change in the patterns of territorial restructuring and the new roles acquired by territories in the context of global governance, whereas regions go abroad due to a set of specific motivations. The distinction between these two realms of analysis somewhat reflects the above mentioned distinction between understanding a region's projection abroad and explaining it. First, it proposes a descriptive approach to the broader phenomenon of the rise of paradiplomacy, whereas in a second step it concentrates on the analysis of agents' rationale.

This dissertation aims to fulfil a similar strategy. The following sections offer a theoretical framework for the analysis of decentralized aid, which distinguishes the analysis of decentralized aid as a political practice from the analysis of decentralized aid as the result of purposeful action.

As we will see in later sections, decentralized aid, as a political practice, finds its origins in major changes occurring in three different areas. First, is not by coincidence that the decentralized aid for development talk emerges parallel to the rise of institutional economics in economic theory and its well known emphasis on the need for a 'proper institutional setting' before economic growth can take place. Scholars had emphasized the impact of sub-state institutions and decentralization on economic growth. From Charles Tiebout to Barry Weingast, both economists and political scientists had stressed the

¹³⁷ Both headings extracted from Michael Keating's 'Regions and International Affairs: Motives, Opportunities and Strategies' (*op. cit.*) p. 2.

benefiting effects of fiscal federalism, and more generally the effect of the decentralization of economic policy decisions on economic performance and development¹³⁸.

Second, development institutions started to tie development assistance to the existence of proper institutional schemes to implement it, or to the accomplishment of proper policy reforms. Moreover, whereas development aid has been understood in the past as a state-development agency to state-development agency relation, from the early nineties onwards practitioners increasingly emphasized the role of civil society and local institutions as appropriate partners in development policy.

Third, the eighties witnessed a major process of territorial restructuring. Political autonomy has been redefined and sub-state units' capacities have been restructured in the context of increasing globalisation and supranational integration. Two apparently contradictory trends seem to be arising in contemporary European politics. Globalisation and supranational integration are driving political capacities out of the State's hands. Meanwhile a parallel process of further territorialization of politics, in which territorially bounded identities and practices are more and more important, seems to be taking place.

From the point of view of purposeful action, regions' engagement in foreign aid policies seems to be the result of specific processes of interaction among a distinct set of institutional and non-institutional actors. Regional governments, pushed by NGOs and social actors operating in the territory, would engage in multilevel processes of political bargaining that would result in a specific policy outcome, a regional policy of decentralized aid¹³⁹.

The main argument is that both levels of analysis, even if they are mutually dependent and interlinked at a meta-theoretical level, can be separated at the level of meso-theory. Following Wendt, the distinction presented here is one between the analysis of the

¹³⁸ See among others, Charles M. Tiebout: 'A Pure theory of Local expenditures'; *Journal of political economy*, vol. 64 1956, pp. 416-424; Oates, Wallace E. (1972), *Fiscal Federalism* New York: Harcourt Brace Jovanovich; Barry R. Weingast: 'The economic role of political institutions: Market-Preserving Federalism and Economic Development'; *Journal of Law, Economics and Organization* vol. 11, Issue 1, 1995 pp. 1-31.

¹³⁹ As we will see later on, the model presented here is inspired by Mosley's procedural approach to the foreign aid puzzle. As in Mosley's procedural approach we distinguish two major sub-processes. First, a demand structuring process where social actors play a major role in structuring demands at the regional level. Second, a supply structuring process by which regions put forward foreign aid schemes.

constituents of decentralized aid as a social kind (that is the response to the question of what made decentralized aid possible?), and the analysis of the causal mechanisms explaining a specific social phenomenon, a region's engagement in decentralized aid schemes (that is, why regions engaged in foreign aid policies?).

The interests of this dissertation are mainly concentrated on the latter questions, not because we perceive that descriptive analysis is an inferior social science, but because the second kind of question, that of the causal mechanisms explaining regions' engagement in decentralized aid, has not been tackled by the specialized literature on decentralized aid which tends to infer causality from the analysis of constituents.

IV.3 The constituents of decentralized aid as political practice.

There is a wide agreement among analysts that decentralized aid is a response to the crisis of centralist top-down approaches to development¹⁴⁰. Moreover, '*structural adjustment and democratisation processes created space for direct involvement of civil society*'¹⁴¹. At the same time, globalisation has brought the increasing relevance of socio-economic interdependence and the dismissal of the State's steering capacities, as well as new links between the international system and the sub-state units¹⁴².

The origins of decentralized aid as a practice are to be found at the juncture of two different processes. On the one hand, a major process of territorial restructuring has changed the architecture of political authority and its inherent meaning of political autonomy in Western Europe. On the other hand, changes in the development paradigm have brought institutions to the foreground of research on economic growth and to the practice of economic development assistance. The conjunction of these two processes in the context of the European Union resulted in the setting up of European decentralized aid schemes at the level of EU development policy, thus opening a window of opportunity for regions to participate. The following sections explore these issues at some length.

¹⁴⁰ See Jean Bossuyt 1995: '*Decentralized cooperation: Lessons from EU experiences under the Lomé Convention*' Paper prepared for the meeting of European Advisory Councils Mallorca 2-4 November 1995.

p.1
¹⁴¹ *Idem.*

¹⁴² See Andrea Stocchiero 2001 '*La cooperazione decentrata delle regioni italiane e i partenarati internazionali per lo sviluppo locale*' Roma: Laboratori CESPI p. 3

IV.3.1 The changing conditions of regional autonomy

The late eighties and the nineties witnessed not only the increasing presence of sub-state tiers of government in political spheres traditionally forbidden to them, but also a major change in the way in which this presence is understood¹⁴³. This reflects not only major changes in the articulation of centre-periphery relations, but also a radical shift in the way regions are constructed.

Michael Keating shows how regions in Western Europe have undergone a major process of restructuring in the last half century. These changes are linked to the detour experienced by European States in the period after the Second World War, but also to regions' re-interpretation of these major changes and their capacity to mobilize political resources. According to Keating, from the 1980's onwards '*there is a new wave of regionalism [...] it was impelled by a functional pressure combined with new forms of political mobilization and a redefinition of the social and economic meaning of territory*'¹⁴⁴.

This new wave of regionalism is marked by two linked features: first, '*it is not contained within the framework of the State*'. Second, it portrays regions as '*pitting against each other in a competitive mode rather than providing complementary roles for them in the national division of labour*'¹⁴⁵. As he further continues, the New Regionalism '*is modernizing and forward looking, in contrast to an older provincialism, which represented resistance to change and defence of tradition. Yet, both old and new regionalism continue to co-exist in uneasy partnership, seeking a new synthesis of the universal and the particular*'¹⁴⁶.

Processes of supranational integration, and new conditions of economic governance in the age of globalisation, determine the position of the regions in our contemporary political landscape. As pointed out by John Loughlin, '*new constraints are being imposed on all*

¹⁴³ As David M. Dymet shows, the international activities of regions can be traced back to 1945 in certain cases. See David M. Dymet 'The Ontario Government as an International Actor' *Regional and Federal Studies* Vol. 11. No. 1 Spring 2001 pp. 57-79. Yet this dissertation contends that the new conditions imposed by globalisation and increasing supranational integration substantially alter the way in which we understand these activities nowadays.

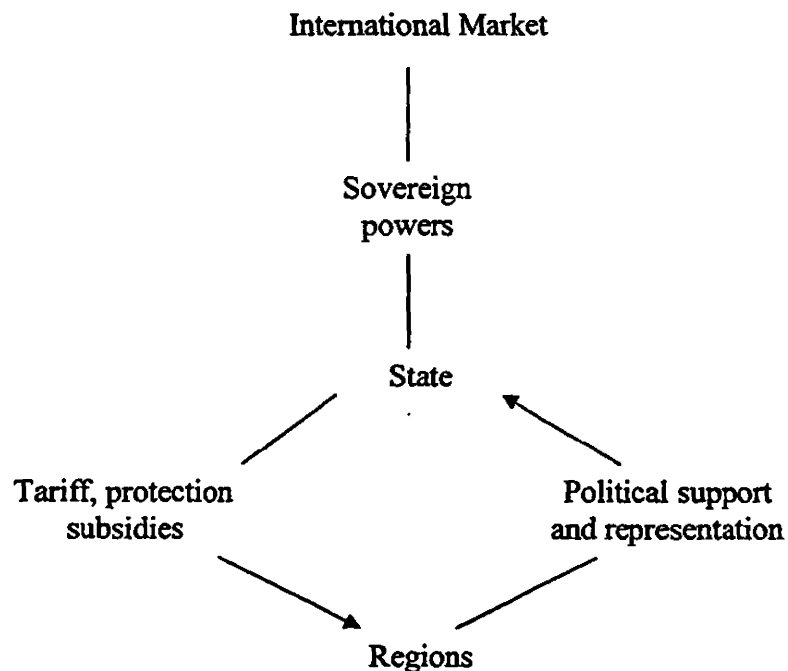
¹⁴⁴ See Michael Keating 1998: '*The New Regionalism in Western Europe: Territorial Restructuring and Political Change*'; Cheltenham, U.K.: Edward Elgar p.72.

¹⁴⁵ See Michael Keating 1998: '*The New Regionalism in Western Europe: Territorial Restructuring and Political Change*' (op. cit.) p. 73.

¹⁴⁶ *Idem*.

levels of government by economic globalisation and competition. But for sub-national levels, this also represents a new window of opportunity to increase their actual autonomy'¹⁴⁷. He suggests that changes in the relations between society and the political system understood in broad terms in Western Europe have brought about changes in the way regional autonomy is conceived. Regions' position in the context of economic globalisation and supranational integration can be summarised in the following figures extracted from the work of Michael Keating¹⁴⁸:

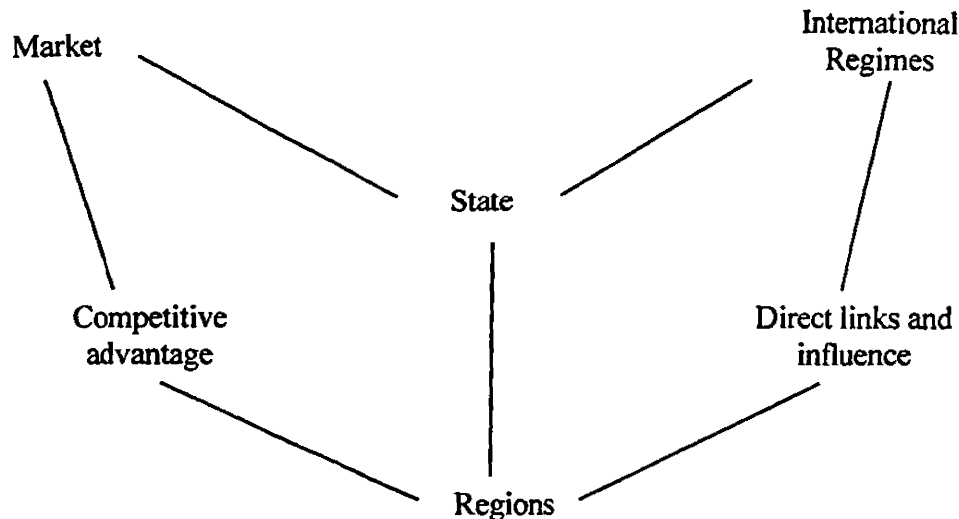
Figure 2.1: States and Regions. The traditional order



¹⁴⁷ See John Loughlin 'Regional Autonomy and State Paradigm Shifts in Western Europe'; *Regional and Federal Studies*, Vol. 10 No. 2. Summer 2000 p. 33

¹⁴⁸ See Michael Keating 1998: 'The New Regionalism in Western Europe: Territorial Restructuring and Political Change' (*op. cit.*) p. 77.

Figure 2.2: Regions, state and market.



As noted by Michael Keating in an early article, a '*tidy hierarchical order of continental, national, regional and local authorities*' cannot exist anymore. '*Instead there will be in Europe a variable geometry State order*'¹⁴⁹. According to Keating, with the states losing their old monopolies and becoming mere actors in complex systems, territorial autonomy will depend less and less on the acquisition of state-like attributes¹⁵⁰. In addition, as

¹⁴⁹ See Michael Keating: 'Regional autonomy in the Changing State Order: A Framework of Analysis'. *Regional Politics and Policy*, Vol 2. No. 3 Autumn 1992. p. 60.

¹⁵⁰ In an interesting essay, Paolo Grossi has discussed the significance of the concept of autonomy for understanding the legal order of the late Middle Ages. Grossi argues against a legal vision that places sovereignty at the centre of the legal edifice of the late Middle Ages, countering that it is only through emphasising the importance of autonomy, as a relational concept, that we will be able to grasp the complex nature of the entangled legal orders that structured social relations in that period. See Grossi, Paolo 'Un diritto senza Stato: La nozione di autonomia come fondamento della costituzione giuridica medievale'; *Quaderni fiorentini per la storia del pensiero giuridico moderno* no. 25 (1996) pp. 267-284. As Grossi further argues, the nature of the medieval legal system cannot be understood with the instruments and concepts we use to describe our contemporary legal system. According to him, contemporary legal analysis is very much dependent on the figure of the State and the principle of sovereignty. Yet, as he further argues, these are relatively recent inventions that cannot grasp the complex patterns of interactions that took place in the late Middle Ages. Without adhering to those claiming the death of the State, I think that in the actual conditions, political analysis should recall the autonomy principle as a means of balancing the effects of understanding the world in terms of sovereign units. In this respect it can be argued that the increasing levels of interdependence brought by globalization and supranational integration affect the way in which autonomy is related to sovereignty. Sovereignty as an attribute of a specific political form, the State, has remained substantially unaltered. However, states are less autonomous in their functioning than they used to be, or at least than what we used to think they were. The relationship, and the effects that changes in the notion of

Michael Keating further states: '*the changing nature of both, the State and the international order does open up new possibilities and formulas for territorial autonomy*'¹⁵¹.

The process of European integration has added a new institutional dimension to the definition of regional autonomy. First, European regulation affects spaces of regional autonomy, as well as constraining regional capacities for autonomous policy design. Regions seek access to the new centre where decisions are taken in order to protect their autonomous decisional capacities.

Second, the process of European integration, by altering the borders of state sovereignty, has also altered the way in which regional autonomy is defined vis-à-vis the State. Direct relations between EU institutions and regions make the latter go beyond the limits of regional autonomy as defined by a State vs. sub-state unit relation. Moreover, in many cases it has altered the pattern of articulating political demands for increasing political autonomy of sub-state units vs. the State¹⁵².

Increasing economic globalisation has altered the role of sub-state units in the economy. First, rigid State policies have shifted to more flexible schemes in order as to permit adaptation to the conditions of the global economy, where the mobility of capital is a key feature. A new tension is created between the global logic of capital seeking the most profitable location and the spatially-bound logic of territorial units which seek to tie capital down. As a consequence, policies now place less emphasis on investment incentives and more emphasis on endogenous growth, or the attraction of investment by qualities linked to the territory, leading to a new economic growth paradigm¹⁵³.

Second, as showed by the comparison of both figures represented above, regions have gained direct access to international markets. Thus, the old dyadic exchange between the state and the regions, with the state mediating regions' relations with the global market, has

autonomy have for our understanding of the notion of sovereignty should then be addressed carefully, rather than asserting the death of a world of sovereigns. Ultimately, actual politics have shown how despite several efforts to diminish the role of the sovereign state, it continues to be extremely relevant in day to day politics and political discourse.

¹⁵¹ See Michael Keating: 'Regional autonomy in the Changing State Order: A Framework of Analysis' p. 45
¹⁵² *Idem*.

¹⁵³ See: Michael Keating 1998: '*The New Regionalism in Western Europe: Territorial Restructuring and Political Change*' (*op. cit.*) pp. 74-76.

given way to a more complex set of relationships in which the regions operate within the State, but also within transnational regimes and the global economy¹⁵⁴.

The decline in the mediating role of the State exposes regions more directly to the effects of the global economy, and forces them to seek opportunities to operate within it and within emerging transnational regimes.

Competition in global markets is structured along the notion of competitive advantage, by which absolute advantages accrue to regions with the appropriate characteristics, instead of the old idea of comparative advantage by which all regions might find their place in the global division of labour. Territories, partly due to functional changes in the global economy become a key factor in the relationship between society and the global market and in the establishment of arenas for political debate and systems of collective action¹⁵⁵.

The new conditions for regional autonomy affect ineluctably the patterns of regional political mobilization. Regions seek innovative ways to seize the opportunities and possibilities offered by economic globalisation and supranational integration (as well as dealing with functional constraints imposed by them). Yet, we have said very little on the process by which changes in the structure of territorial distribution of political power occurring in the last twenty years were translated into development co-operation practices.

It is widely agreed that changes in the patterns of territorial politics were assumed in the development co-operation realm and structured to provide a new development paradigm that stressed the role of sub-state actors and the participation of civil society agents¹⁵⁶. The '*new development agenda*' linked decentralization and participation to better development and governance practices. Moreover, these changes were soon internalised by European development policy.

The next section is structured to provide, in the first place, a brief picture of significant changes in the realm of development assistance through which major changes occurring in the realm of territorial politics were translated into a new development paradigm. Then I

¹⁵⁴ See Michael Keating: 'Regions and International Affairs: Motives, Opportunities and Strategies' (*op. cit*) p. 3.

¹⁵⁵ Michael Keating: 'Regions and International Affairs: Motives, Opportunities and Strategies' (*op. cit*) p. 2.

¹⁵⁶ See among others, Andrea Stocchiero 2001 '*La cooperazione decentrata delle regioni italiane e i partenarati internazionali per lo sviluppo locale*' (*op. cit.*) pp. 3-5

will explain briefly the establishment of a decentralized aid policy at the level of EU development policy.

IV.3.2 Changes in the agenda of international cooperation for development.

In a European Commission report from 1996, one can read: *'the concept of decentralized aid emerged and gradually took shape as part of European Community policy at the end of the eighties in response to several different (but interconnected) phenomena: the growing importance accorded to grassroots social and economic development issues and participatory approaches to development among donors, especially the EC; the rise of NGOs' activities and the general gradual crystallization of organized forms of civil society in the south; and increased enthusiasm for democracy and human rights in the early nineties which brought fresh insights into the role and importance of civil society and its representatives in the development process'*¹⁵⁷.

It is widely accepted among practitioners that the end of the Cold War brought major changes in the way development aid was defined and implemented. First, the structure of donors and recipients was widely affected by the demise of Communist regimes and the subsequent economic crisis. As a result, countries such as the USSR, which up to that moment had been giving aid, turned into aid recipients in the early nineties. Second, the early nineties witnessed an increasing process of multilateralisation of international aid.

An important indicator of the impact of multilateral fora on the definition and implementation of aid is the increasing activity developed by the UN system which in the nineties engaged in an intense agenda of global conferences. In 1990, the UN held two conferences: one on education, and one on children. In 1992, the UN organized a conference on the environment in Rio de Janeiro. In 1993, a conference on human rights was held in Vienna. In 1994, the UN conference on population was held in Cairo, while conferences on social development and women were held in Copenhagen and Beijing respectively in 1995. In 1996, the UN organized a conference on human settlements in Istanbul, and the UN conference on food security was held in Rome.

¹⁵⁷ See Communication from the Commission of 1st March 1996: *'Implementation of decentralized cooperation'* in <http://europa.eu.int/comm/development/body/legislation/recueil/en/en19/en19.htm>

The agenda of global conferences paved the way for a new agenda of development. The new agenda of development cooperation is based on two major features. First, international development cooperation is considered as a means of '*helping the international community to manage global challenges and problems*'¹⁵⁸. As stated in a document from the European Commission: '*Europe has not neglected challenges for development policy arising globally. The marginalisation of many economies, the increase in poverty in the world, the need to better manage environmental interdependencies and the resulting challenge to Europe's own environment, the destabilising effects of migration, the consequences of armed conflicts and pandemics are major concerns for all*'¹⁵⁹.

Second, development theory's increasing awareness of the fact that free markets could not function effectively without an intricate web of institutions forced a major shift in the scope of development assistance policies, which began to consider the overall social and political framework. As a report of the OECD points out, there was '*relatively more emphasis on "software" and less on "hardware"*'¹⁶⁰.

Donor institutions increasingly emphasised questions such as good governance, human rights, democratisation, participatory development, sustainability, transparency and accountability as important elements of the aid relationship. Development policy started to be considered as a multidimensional process that covers broad-based equitable growth, social services, environment, gender issues, capacity and institutional building, private sector development, human rights and good governance'¹⁶¹. Yet, as Raffer and Singer stated, the emphasis on the socio-political conditions of development has altered the patterns of the aid relationship's conditionality. As they put it: '*conditionality became increasingly elaborate, interfering more and more with recipient's political decisions*'¹⁶².

¹⁵⁸ See Raffer, Kunibert and Hans Singer 2001 '*The economic north-south divide: Six decades of Unequal Development*' Cheltenham: Edward Elgar p. 95.

¹⁵⁹ See Commission of the European Communities 2000: '*Communication from the Commission to the Council and the European Parliament: The European Community's Development Policy*' COM(2000)212 final. p.4

¹⁶⁰ See OECD/DAC report 1999 '*A comparison of management system for development co-operation in OECD/DAC members*' By Hyun-sik Chang, Arthur M. Fell and Michael Laird with the assistance of Julie Seif. Development Co-operation Directorate DCD (99)6. p.14.

¹⁶¹ Commission of the European Communities 2000 (*op. cit.*) p. 7

¹⁶² See Raffer, Kunibert and Hans Singer 2001 '*The economic north-south divide: Six decades of Unequal Development*' (*op. cit.*) p. 95

In this context, decentralization was sought as an important ingredient of the recipe for a successful transition towards a more integrated and participatory mode of development. Decentralization was perceived as inextricably linked to practices of better governance, participation, transparency and accountability. For instance, in a paper issued by the UN, one can read: *'Decentralizing governance, from the centre to regions, districts, local governments/authorities and local communities can be an effective means of achieving critical objectives of the sustainable human development vision.'*¹⁶³

What is more, as the same document further argued, *'the main challenge now in discussions of local governance is to ensure that the strengthening of local government through decentralization moves hand in hand with a deliberate effort to mobilize and strength civil society structure, processes and institutions at lower levels in a manner that would allow their relationship with subnational authorities be more interactive and mutually reinforcing'*¹⁶⁴.

Decentralized aid appeared in the international debate on development in a context both of increasing concern for the social and institutional conditions of development and more specifically, thanks to the increasing perception that a successful development strategy should count on all the stakeholders in the territory, those being local NGOs, small and medium sized enterprises and other private actors, or local authorities and communities.

IV.3.3 The constitution of a European system of decentralized aid within the framework of European co-operation

In Europe, the first explicit reference to decentralized aid goes back to 1989, in the context of the Fourth Lomé Convention EEC-ACP¹⁶⁵. Art. 20 of the ACP-EEC convention defines

¹⁶³ UNDP 'New Global Program for Decentralized Governance'

¹⁶⁴ UNDP/UNECA Fifth Africa Governance Forum 2002 *'Local Governance for Poverty Reduction in Africa Concept Paper'* p. 10

¹⁶⁵ Nevertheless, it has to be noted that some observers challenge this widespread idea. According to Jacques Ziller, the major purpose of the above quoted articles was to enable policy instruments which would allow for outermost territories' better integration within the economic and social environments within which they have to operate. Enabling a decentralized co-operation clause would permit the establishment of better transborder co-operation schemes between outermost territories and the ACP countries in their surroundings. This interpretation seems to be consistent with the economic nature of the Lomé Conventions. The EEC-ACP agreements sought, among other things, the establishment of preferential trade agreements between the EEC and countries in Africa, the Caribbean and the Pacific with which Europe has had an intense economic

decentralized aid as follows: *'[...] in order to encourage all parties from the ACP states and the Community which are in a position to contribute to the autonomous development of the ACP States to put forward and implement initiatives, cooperation shall also support within the limits laid down by the ACP States concerned, development operations put forward by economic, social and cultural organisations in the framework of decentralised co-operation, in particular where they combine the efforts and resources of organisations from the ACP states and their counterparts from the Community. This form of cooperation shall be aimed in particular at making the capabilities, original operating methods and resources of such parties available to the development of the ACP States'*¹⁶⁶. Furthermore, paragraph two of Art. 20 specifies that the *'parties referred to in this article are decentralised public authorities, [...] and all the groups and parties which are able and wish to make a their own spontaneous and original contribution to the development of the ACP states'*¹⁶⁷.

In addition, the participation of decentralised parties from the ACP countries is emphasised in Art. 21, *'[...] cooperation shall support either the independent activities of ACP parties or the activities of ACP parties which are combined with support from similar parties from the Community which make their capabilities, experience, technological and organizational capacities or financial resources available to them'*¹⁶⁸.

The normative framework created by the fourth Lomé Convention was enshrined in further European legislation. In 1991, Council Decision no. 91/482/EEC of 25 July regulation cooperation between the European Economic Community and Overseas Countries and Territories included a whole chapter devoted to decentralized cooperation. In Art. 7, it states that *'cooperation shall also support, within the limits laid down by the appropriate authorities, development operations put forward by economic, social and cultural*

relation in the past. Yet, the Lomé Conventions are extremely complicated documents, since they have been also interpreted as the foundations of the European Union's international co-operation edifice. As a consequence it is very difficult to establish a unique interpretation of the text. In the remainder of this section I will follow cautiously the interpretation that the major purpose of the above quoted articles was to establish a 'different approach to development'. I would like to thank Professor Jacques Ziller for directing my attention to this question.

¹⁶⁶ *'Fourth ACP-EEC Convention signed at Lomé on the 15th December 1989'*; Luxembourg: Office for Official Publications of the European Communities

¹⁶⁷ *Idem.*

¹⁶⁸ *Idem.*

organizations in the framework of decentralized co-operation, in particular where they combine the efforts and resources of organizations from LDCs and their counterparts from the Community'¹⁶⁹. All parties from recipient countries and also from the Community are encouraged to put forward and implement initiatives that might contribute to the autonomous development of LDCs.

Art. 8 of the Council Decision further supports the initiatives of LDC parties. These initiatives might respect the overall cooperation framework, guidelines and development methods adopted by the relevant authorities in LDCs.

The position of decentralized aid in the overall European development policy framework was enhanced through the introduction of decentralized cooperation provision in the different area programs. This is the case of Art. 3 of the Council Regulation no. 443/92 of 25 February 1992 in which it is stated that *'the recipients of aid and partners in co-operation may include not only states and regions, but decentralized authorities, regional organizations, public agencies, local traditional communities, private institutes and operators including co-operatives and non-governmental organizations.'*¹⁷⁰.

As shown by the different documents quoted before, throughout the nineties decentralized co-operation has permeated different EU co-operation schemes, in particular EU programs in the Mediterranean and in the ALA countries (Asia and Latin America) Moreover, in 1992 budget heading B7-5077 (Decentralized co-operation with the developing countries) was created within the context of the European Development Fund.

The variety of programs and legal and institutional frameworks has determined different modes of implementing decentralized aid schemes. According to the European Commission, three major 'schools' can be identified¹⁷¹:

The first school, drawing upon the experience of European integration, sees decentralized cooperation as horizontal cooperation between sections of civil society in the Member States and third countries (local authorities, economic groups, higher education institutions,

¹⁶⁹ See Council Decision No. 91/482/EEC of 25 July 1991 on the association of the overseas countries and territories with the European Economic Community. Art 7. Official Journal L 263, 19-9-1991 pp. 0001-0153.

¹⁷⁰ Council Regulation (EEC) No. 443/92 of 25 February 1992 on financial and technical assistance to, and economic cooperation with, the developing countries in Asia and Latin America. Official Journal L 052, 27-02-1992 pp. 0001-0006.

¹⁷¹ See European Commission 1996 *Communication (op. cit)* p. 4

etc.). According to the same document, *'the instruments of decentralized cooperation developed in the Mediterranean (under the MED programmes), and more recently in Latin America aim mainly at the establishment of closer and more balanced political, economic and cultural relations, based on either economic reciprocity or political or cultural "proximity", the latter being particularly relevant for aspiring EU candidates.'*¹⁷² This form of cooperation involves mainly cultural, economic, technological and scientific exchanges, with an element of "democratic engineering", with countries which are generally at an intermediate development level or undergoing economic transition.

The second 'school', *'the participatory model of decentralized cooperation'*, finds its origins in more traditional conceptions of development aid, i.e. oriented towards least developed countries and those undergoing democratisation processes. Following the Commission's argument, *'It emphasizes the need to give civil society a voice and a role in the development process. In treating civil society as a principal - an agent, not just a "beneficiary" of development -, decentralized cooperation calls into question both traditional development aid instruments and the relationship between civil society and the public authorities in developing countries'*¹⁷³.

The third 'school' is defined in the document as the *'surrogate model.'*¹⁷⁴ This model comes into play precisely in countries where, for various reasons, official cooperation has been suspended and aid is maintained only for priority needs and channelled by decentralized agencies.

All these three models can be found in the different co-operation schemes established by European legislation. They have been interpreted by the European Commission as an asset, but also as a constraint. On the one hand, diversity in the modes of implementing EU co-operation policy shows the capacity of decentralized actors to adapt to a multiplicity of situations. Institutional constraints, the strength of counterparts in LDCs and the availability of resources limit partners' capacity to establish decentralized co-operation schemes. Thus, the multiplicity of forms in which aid is implemented reflects the capacity of decentralized aid programs for adaptation.

¹⁷² European Commission 1996 *Communication (op. cit)* p. 5

¹⁷³ *Idem.*

¹⁷⁴ *Idem.*

On the other hand, diversity has been interpreted by the Commission as a limit to the future expansion of decentralized aid. Variation between the three schools comes to the point of referring to different notions of decentralized aid. Common ground does not exist between these three schools, besides the fact that non-central governments are the relevant agents.

The EU has progressively pushed towards the establishment of a clearer conceptualisation of decentralized aid, increasingly concentrated on the sponsorship of the first and second schools' type of decentralized co-operation where the creation of partnership structures and participatory development are fundamental features.

The Cotonou Agreement, a substitute for the Lomé Convention system, contains innovative provisions to promote participatory approaches that ensure the involvement of civil society and economic and social players. First, regional and local governments are included in the agreement at the same level as the State. Second, non-State actors are included in the new programming process leading to the establishment of country strategies and sector priorities as well as being allowed to participate in the evaluation of a country's performance.

This new system seeks to provide a better institutional basis for the establishment of partnership agreements among North and South societies. Yet, as the specialized literature in the field shows, it is still too early to evaluate the implementation of this new agenda¹⁷⁵.

IV.3.4 Decentralized aid as a political practice

Decentralized aid as a political practice is a broad and complex phenomenon. It involves a number of different practices by rather distinct actors whose only common feature is not being part of the state administration. Part of this complexity can be reduced by focusing on specific agents, such as the regions or local governments and applying the notion of decentralized aid in a way which is reductive of complexity. Given the interests of this dissertation I have followed this strategy, applying the concept only to regions' international aid programs.

¹⁷⁵ For a preliminary assessment of non-State actors in the EU's development policy under Cotonou see: Jean Bossuyt: 'Involving Non-State Actors and Local Governments in ACP-EU dialogue' in *Policy Management Brief* No. 13 December 2000. European Centre for Development Policy Management <http://www.oneworld.org>

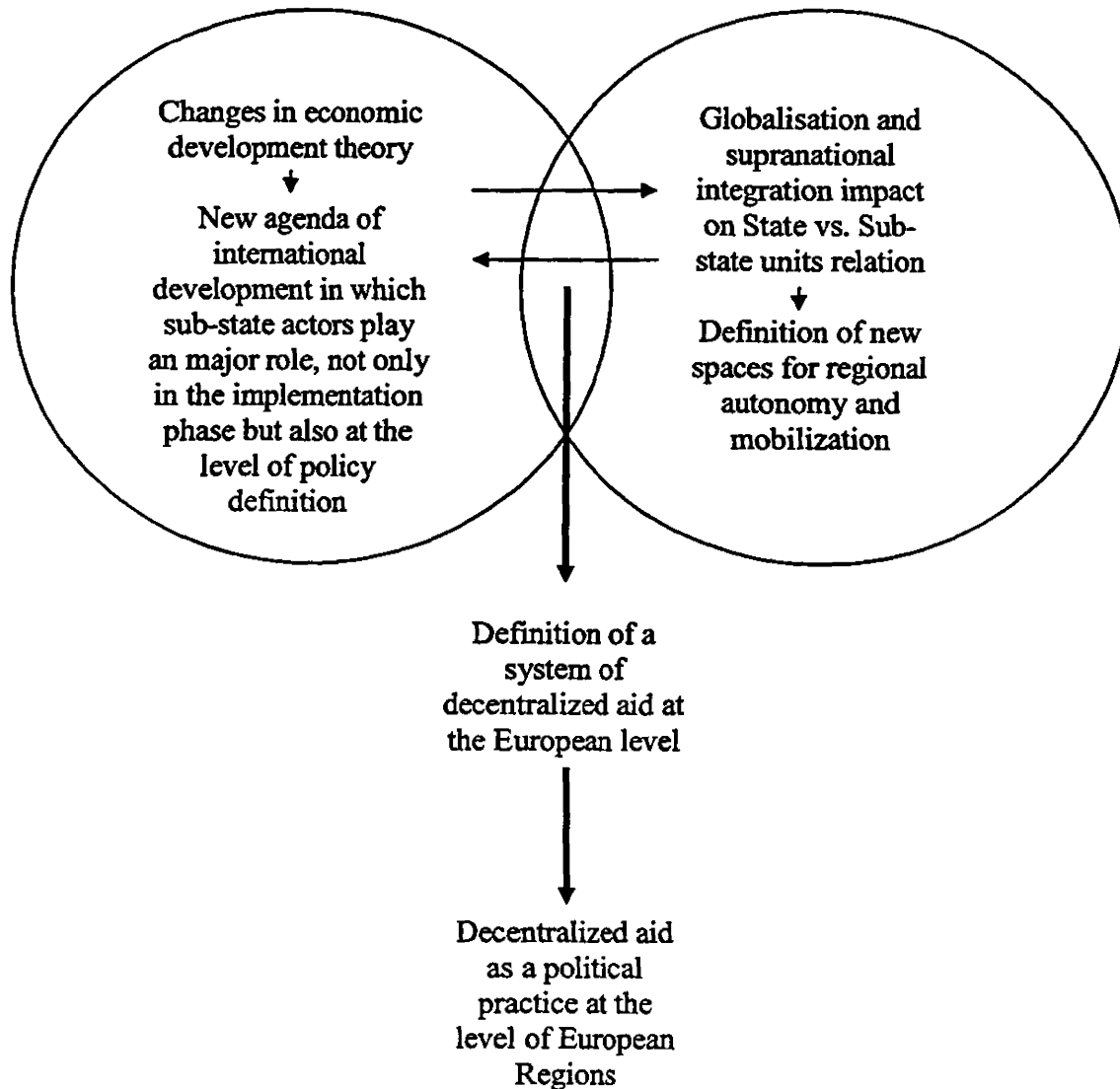
Yet, understanding the rise of regional governments' international aid policies as a political practice is not an easy task either. As we have seen in the previous sections, its origins are to be found at the juncture of both the process of territorial politics restructuring and a major change in the political and normative agenda of international development. This can be represented by figure 3.

As we have already seen, regional autonomy had undergone a process of major restructuring in Western Europe. Sub-state actors direct access to international markets and supranational fora affect the way in which we can understand regional autonomy. As we have seen in the previous sections, autonomy is a multidimensional process in which the processes of supranational integration and economic globalisation operate both as enabling clauses and constraints for regional autonomy. In this context regions seek innovative ways to profit from the challenges posed by globalisation and supranational integration.

These major changes, as we have tried to show in previous sections, influenced the formation of a new international agenda of development. As we have seen, sub-state governments started to be perceived as important stakeholders of development. What is more, they are regarded as promoting better development practices, as well as facilitating the development of democratic institutions.

As a result, EU development policy structure incorporated the international agenda of decentralized aid creating an opportunity structure for European regions, local governments and organizations. As we have seen, this opportunity structure consist not only of funds, but also clearly structured programs for different areas of the world where non-state actors can participate, implementing the European Union's agenda of international cooperation..

Figure 3: Decentralized aid as political practice



Nevertheless, the analysis of the constituents of decentralized aid as a political practice tells us only part of the story. It has to be complemented by a process-oriented analysis of decentralized aid for development. As we have seen when analysing the distinction between causation and contention, explaining a region's engagement in decentralized aid policies might require from us to tune our analytical instruments in a key which permits us

to account for the process of policy making. Thus, the following sections are devoted to present a theoretical framework for the analysis of what I've called (not very originally though) the politics of decentralized aid for development.

IV.4 The politics of decentralized aid: a procedural analysis of the origins of decentralized aid for development policies at the regional level

In this dissertation, as I have stated before, I intend to present a procedural approach to the origins of decentralized aid programs in European regions. As we have seen in the previous section, the origins of decentralized aid as a political practice can be understood as the result of the interaction of two broad processes. First, a major process of territorial restructuring and second, a major process of agenda restructuring in the realm of development co-operation. As we have repeatedly claimed, the analysis of these processes has been the path undertaken by the literature on decentralized aid in order to explain the origins of such a political practice.

The procedural approach presented here tries to complement this vision of the origins of decentralized aid by unfolding the patterns of interrelation among institutional and non-institutional actors underpinning regions' decisions on whether or not to engage in decentralized aid schemes.

This procedural approach aims at furthering the path recently embarked upon by the work of Antoine Vion and Emmanuel Négrier. Both authors regret the practical inexistence of theoretical analysis in the literature of decentralized aid. As they state, '*L'abondante littérature sur la coopération décentralisée reste une littérature grise dont la caractéristique majeure est de problématiser, pour la légitimer, une pratique d'échanges internationaux faisant intervenir des collectivités et associations locales, des ONG, des administrations centrales, groupes d'intérêts, entreprises, etc*'¹⁷⁶. As they further argue within this body of literature, '*le chercheur, au mieux à dresser des typologies descriptives, au pire à dresser un inventaire à la Prévert faisant voyager le lecteur de Knokke-le-Zoute à Bandiagara en passant par des considérations sur le développement, la participation*

¹⁷⁶ See Antoine Vion and Emmanuel Négrier 2002: '*La coopération décentralisée, un étage du jeu diplomatique*' Contribution à l'atelier: *Les nouvelles formes de la diplomatie*, Congrès AFSP Lille, 21 Septembre 2002. p. 2

*démocratique, l'effondrement du cours du tabac, la constitution d'un front anti-globalisation, etc.*¹⁷⁷.

They try to develop an integrative theoretical model in which decentralized aid would be a stage within the new modes of multilayered diplomacy. According to both authors, major changes in the practice of diplomacy brought by globalisation and supranational integration permit sub-state units to participate in broader co-operation schemes. Constituent unit's participation is rooted on processes of mutual recognition among different institutional and non-institutional actors both in the north and in the south which change the face of agency in the international system¹⁷⁸.

However, the problem with Négrier's and Vion's argument is that it is very much oriented to the analysis of the French case. As they show, in the case of France, decentralized aid practices had been structured along state instruments of international representation and co-operation. This process of policy structuring results in a system of interaction among different actors in which co-operative arrangements play a major role. However, for the two cases later analysed in this dissertation, national governments did not offer any kind of structure for the integration of incipient decentralized aid schemes. Rather, decentralized aid programs in both our cases arise in the midst of a broad institutional conflict on sub-state units' capacity to act internationally.

My contention here is very simple. Given the multiplicity of interactions involved in the definition of decentralized aid schemes, it is very problematic *a priori* to understand decentralized aid only as a stage in a broader system of diplomatic relations. Conversely, this dissertation tries to offer an overarching theoretical framework that permit us to assess the different modes of interaction that might lead to the establishment of decentralized aid policies. We may also structure our empirical evidence according to this framework.

Decentralized aid is presented as the result of a major process of multilevel bargaining in which NGOs, regional institutions, the State and the EU play major roles. The bargaining process is divided in two major sub-processes: first, one of demand structuring. As we will see in the following sections, NGOs structure political claims vis-à-vis regional institutions.

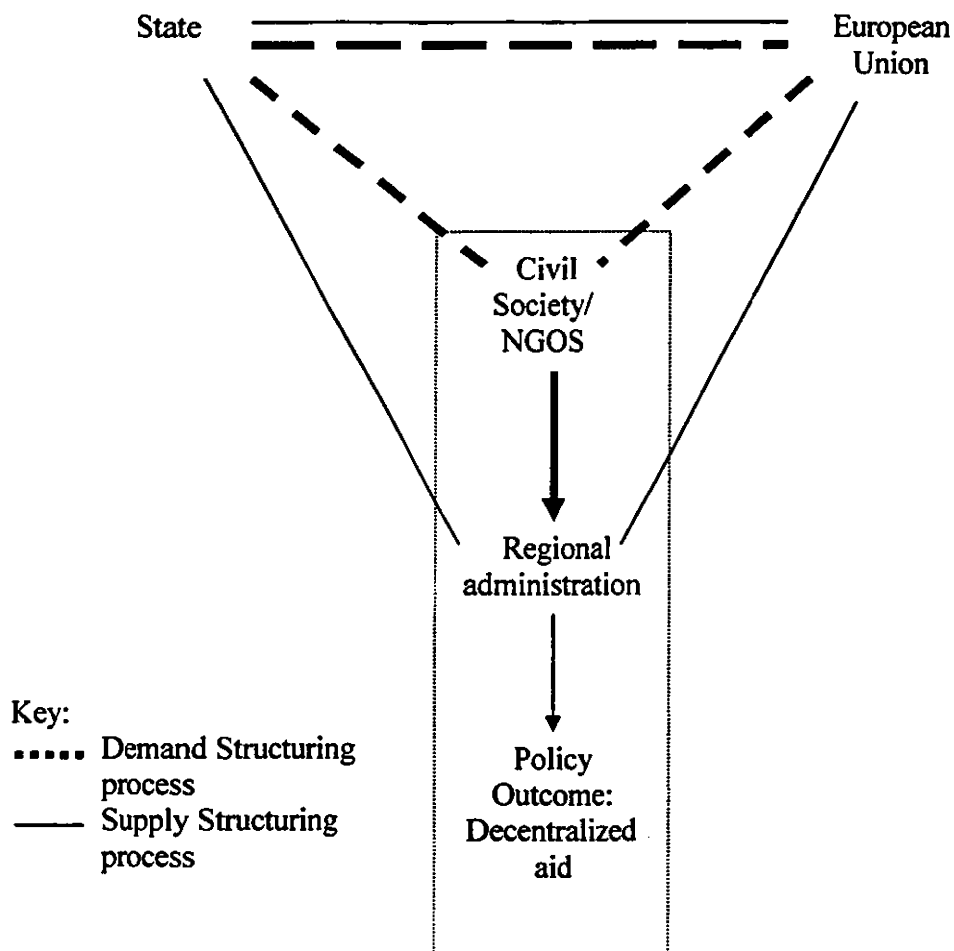
¹⁷⁷ *Idem.*

¹⁷⁸ See Antoine Vion and Emmanuel Négrier 2002: '*La coopération décentralisée, un étage du jeu diplomatique*' (*op. cit.*) pp. 8-15

Yet, the process of demand structuring is one in which NGOs interact with other agents such as the European Union or the nation-state. This process results in the construction of a specific case for decentralized aid. Second, there is a process of supply structuring. Regions engage in pro-active roles in the field of development aid, yet the nature of this process will be also dependent on the interaction of regions with other institutional actors, such as the EU and the State as well as with NGOS and civil society actors operating in the territory.

This proposal for the study of regions' engagement in decentralized aid can be summarized in the following figure:

Figure 4: Decentralized aid as a policy process



IV.4.1 Demand structuring and the politics of decentralized aid

Organizations in civil society operate within a complex milieu of political authority. Development NGOs act in front of national institutions; they also structure demands vis-à-vis supranational agencies. Finally they orient part of their activities to lobby sub-state tiers of government. The milieu of multiple authorities configures what the literature has defined as a multilayered opportunity structure.

The impact of multilayered opportunity structures on the process of demand structuring is twofold. On the one hand, NGOs operating at the regional level learn from past bargaining experiences at different levels so they can better shape their instruments and strategies when dealing with different tiers of government. That is, NGO experiences in different arenas assist them in the process of structuring policy demands.

On the other hand, NGOs might employ the multilayered opportunity structure as a proper asset in the negotiation process. Firstly, NGOs might align at the discursive level with other institutional tiers discourse as a means of vesting their claims with a broader allure of legitimacy. Constant references to the UN in NGOs' discourse would account for this use of intellectual alignment as an asset. Second, NGOs might also establish an alliance with specific institutional tiers as a means of reinforcing their bargaining position vis-à-vis the targeted institutional tiers. The existence of co-operation schemes between NGOs and supranational institutions might facilitate the construction of a case for regional engagement in aid politics. Finally, NGOs might use the story of past negotiations with other institutional tiers as a means of reinforcing their case. In the context of institutional conflict, NGOs might refer to past negative negotiation experiences at the state level as a way of triggering the interest of sub-state units in the development policy field.

At the same time, NGOs act as 'moral entrepreneurs'. Their ability to influence politics is based on the use of information, persuasion and moral pressure. A significant amount of social movements' activities is directed at '*the creation, institutionalisation and monitoring of norms*'¹⁷⁹. According to McAdam, McCarthy and Zald, movements help to create meanings through framing processes, that is, '*the strategic efforts by groups of people to*

¹⁷⁹ See Sanjeev Khagram, James V. Riker and Kathryn Sikkink: '*Restructuring world politics : transnational social movements, networks, and norms*' Minneapolis: University of Minnesota Press, 2002 p. 12

*fashion shared understandings of the world and of themselves that legitimate and motivate collective action'*¹⁸⁰.

The process of framing might take place at different levels. On the one hand, NGOs are expected to talk about moral values, norms and principles. The discourse of NGOs should be laden with references to widely accepted norms and values. References to values such as peace, solidarity, charity, equality and a more even redistribution of economic resources are constantly intermixed in the discourse of NGOs. Yet, NGOs are expected to combine these value references with widely accepted political declarations uttered at major international fora. This would be the case, for example, of NGOS insistence on the need to reach the limit of 0,7% of GDP as development aid expenditure.

On the other hand, NGOs' claims might be structured along localized values, norms and practices. NGOS might make reference to problems which are very much familiar to the local community they are targeting, such as the integration of immigrants, and link it to the broader justification of international development assistance. Moreover, NGOS might refer to more generalizable values, such as the value of solidarity or charity, which nevertheless are defined in a local key.

Moral entrepreneurship and framing would normally tend to combine the internationalist patterns of justification for mobilization and political action, with local understandings of norms, values and practices in a process that leads to the territorialization of demands and mobilization.

Finally, NGOs possess certain technical knowledge in the field. In the specific case of decentralized aid for development schemes, it can be argued that regional administrations are not very familiar with administering development aid programs whereas NGOs have lengthy experience as practitioners of development, placing them in a better position to negotiate specific policy outcomes. Thus, NGOs are key actors in the process of structuring demands, but also might play a relevant role in the process of reaching policy outcomes.

¹⁸⁰ See: Doug McAdam, John D. McCarthy, Mayer N. Zald eds. 1996: *'Comparative perspectives on social movements: political opportunities, mobilizing structures, and cultural framings'* Cambridge: Cambridge University Press. p. 6. According to Sikkink *et al.* this capacity for 'framing' is similar to what in International Relations theory has been defined strategic social construction. See: Sanjeev Khagram, James V. Riker and Kathryn Sikkink: *'Restructuring world politics : transnational social movements, networks, and norms'* (op. cit.) p. 12



NGOs are key in the process of structuring political demands vis-à-vis regional institutions. These demands will be constructed in a complex milieu of institutional relations. NGOs are sought to establish a general moral case on foreign aid at the regional level, profiting from previous experience of specific bargaining processes both at the state level and the supranational level. Development NGOs operating at the regional level would control both the normative and the technical resources of the policy.

IV.4.2 Supply structuring: institutions and the politics of decentralized aid

The process of supply structuring also takes place in a complex setting of both inter-institutional and institutions-organizations relations. Within these complex patterns of relations, regions define policy schemes that reflect interactions with NGOs operating in the territory, but which are also restricted by multilevel processes of institutional political bargaining in which State institutions and the European Union play a major role. This section aims to identify a set of different roles for each of the institutional tiers involved in the definition of decentralized aid policies.

For the sake of clarity, at this stage we regard the process of demand structuring as constant even if, we will show in our empirical analysis how demand structuring and supply structure are mutually interdependent processes. Firstly, I will look at the different roles played by the State. State institutions are sought to act as a gatekeeper. Either they try to deter regions to engage in foreign aid policies or they try to co-ordinate regions' efforts in broader national development schemes.

Secondly, I will look at the roles played by the EU. The EU is basically defined as providing an opportunity structure for regions to engage in decentralized aid policies. Yet, the EU is regarded as holding specific policy preferences in the field of development that determine the nature of a region's engagement in European decentralized aid schemes. The EU thus has direct influence on the design of the policy outcome at regional level.

Finally, I look at the regions, as both the target of NGOs' demands and as the key suppliers for decentralized aid schemes. Regions' roles are primary reactive to political demands. They have to face NGOs' demands and integrate them into a policy scheme. Regions then proceed in a creative manner, since they have to structure demands in the broader system of

constraints and opportunities defined by both the State and the EU. Here regions might proceed following diverse political strategies depending on the nature of their interactions with the State and the EU. Let us see this process in more detail.

IV.4.2.1 Decentralized aid and State's policy resources

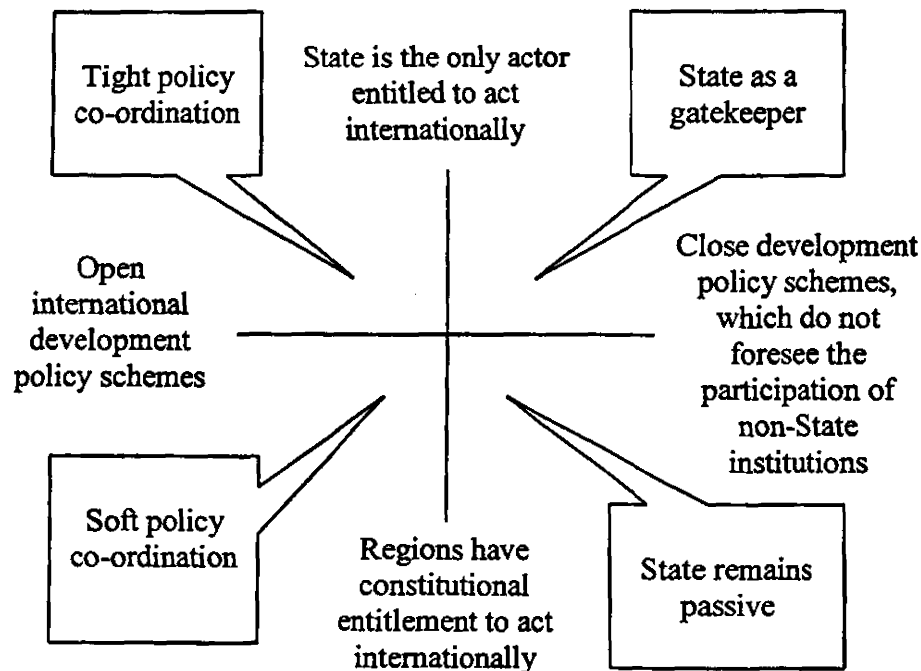
It can be said that at the level of policy definition, the state controls two key resources: the allocation of competencies among different tiers of government, and the formation of a national strategy for international development co-operation.

The State's institutional architecture and policies affects the domestic opportunity structure for a region's mobilization abroad. The principle of distribution of competencies might guarantee constituent units the capacity to act internationally in those matters related to the sub-state units' sphere of government. What is more, the Constitution might recognize the right of federated units to participate in the formation of foreign policy decisions. This institutional structure ensures opportunities for co-ordination between the State level and constituent units' policies, as well as permitting regions to act autonomously. Conversely, at the other extreme of the continuum, the state might retain the capacity to act internationally. Sub-state tiers are sought to act within their sphere of competences, which is defined only in terms of domestic politics. In this context, sub-state projection abroad would be severely scrutinized by State institutions, which would try to limit regions' international activities.

The State's development aid policies might encourage sub-state tiers of government to participate, as is the case in federal polities such as Germany and Austria. As we have seen before, this may also be the case in countries that are not federal polities, such as France. Conversely, the State might define its international development co-operation policy in strict state-to-state terms, not allowing sub-state units' participation or establishing tight legal frameworks for the development of sub-state units' development policy.

The interaction of these two major resources defines four different strategies. They can be represented in the following figure:

Figure 5: State's resources and strategies.



Each of the four regions defined by the intersection of these two axes determines a policy strategy vis-à-vis regions' attempts to engage in decentralized aid schemes. In the North-West corner, the state would permit the regions to participate in international development schemes. However, they would tend to supervise regions' international activities to ensure that the State's rights to act internationally are not affected by regions' activities in the field of international aid. In the North-East corner, the State plays the role of the gatekeeper. Regions are not part of the broad design of international co-operation schemes and they are not entitled to act internationally. Thus, in the event of a regional attempt to form proper international co-operation schemes, the State would try to oppose or at least to impose severe burdens and controls on the region's movements. The South-West corner opens the way for soft co-ordination strategies. Here the State might leave room to regions to act autonomously within the realm of international co-operation and develop their own schemes. Soft-coordination might aim to ensure policy effectiveness, but would not establish a hierarchical relation among the State and the regions. Finally, the South-East

corner defines a situation in which regions would act autonomously but the State will not integrate region's international co-operation schemes into broader national policy schemes. The State would remain in a rather passive position neither aiming to co-ordinate policy initiatives nor exerting controls on regions' international activities.

Nevertheless, the State's position vis-à-vis regions' engagement in decentralized aid policies should not be taken as a static feature. States might learn from experience and evolve from restrictive to more open-minded positions regarding a region's decentralized aid schemes. Firstly, a State might alter the structure of its international aid system to include the participation of sub-state governments, or to co-ordinate already existing policy initiatives at the regional level in broader national programs. Secondly, states might redefine the entitlement to act internationally. These reforms are much more traumatic since they normally involve constitutional reform, or at least the participation of the Constitutional Court as the main interpreter of the Constitution, thus requiring extra resources. Normally, in the event of a broad questioning of the State's entitlement to be the sole actor with capacity to go abroad, and after a period of institutional struggle, the State might recognize *de facto* institutional practices on the part of sub-state units, rather than engaging in a process of constitutional reform or taking a case to the Constitutional Court.

IV.4.2.2 The European Union

As we have already seen, the EU has created its own international aid for development policies in which decentralized aid plays an important role. The EU has created a number of programs in which European regions are invited to participate. These programs make funds available and encourage the establishment of partnership agreements between regions in the north and in the south.

Participation in broader European initiatives and programs in the development co-operation sphere might be perceived by regions as an easier way to ensuring the establishment of a decentralized aid system at regional level. First, European programs provide a solution for the problem of economic resources. Regions might lack the necessary funds to develop a decentralized aid system. Yet, European programs might ensure that regions have enough resources to satisfy NGO demands.

Second, participation in European co-operation initiatives might be an indirect way of overcoming the State's controls on a regions' involvement abroad. Regions might see the European Union programs a way of engaging in international aid policies without directly questioning the State's dominant position either in international politics or in the field of international co-operation.

Yet, regions' participation in European decentralized aid schemes comes at a price since it forces regions to adapt their policies to European Union priorities in the field of development and international policy. An example of this might be the EU changing its policy emphasis on distinct geographical areas, according to the needs established by the European and international political agenda.

Furthermore, regions are normally forced to comply with policy styles and procedures which might impose a burden on their autonomy and their capacity to define their own co-operation schemes. For instance, EU emphasis on monitoring, or the need to integrate NGOs and institutions in broad partnership schemes, would limit a regions' capacity to define their development aid schemes in a different way.

Therefore, the European Union's influence in the definition of the policy outcome might be perceived as a function of a region's need for institutional support to satisfy NGO demands. Thus, the more regions manage to territorialize the policy outcome, the less the European Union's policy would have an impact on the policy outcome.

IV.4.2.3 Regions as international development co-operation policy providers. Why do regions engage in foreign aid?

We have already seen how a regions capacity to engage in foreign aid policies is constrained by its position vis-à-vis both the demand structuring process and the other actors' strategies affecting the supply structuring process. Firstly, regions are constrained by the way in which NGOs structure their demands. Secondly, the State's position regarding international politics and development co-operation affects the way in which regions might define their own decentralized aid programs. Finally, regions have the chance to profit from the opportunities offered by the European system of international co-operation. In this context of constraints and opportunities, regions might engage in foreign

aid policies for a number of motives. This dissertation contends that these motives are related to the capacity of regional governments to link NGOs' claims to broader elements of the regional political agenda.

As we have already seen, Michael Keating distinguished a number of economic, political and cultural reasons for which regions might engage in international politics. This dissertation contends that, in the specific realm of decentralized aid, the link is to be established between the nature of NGO demands and the regional domestic political agenda.

NGO demands in the realm of development assistance are structured along normative values and principles. This process of framing demands entails the integration of a generalist moral case on the necessity of aid with communitarian values and practices or with pressing issues in the domestic agenda, such as immigration. Aid policy is thus perceived as implementing demands rooted in superior moral values or pressing agenda concerns.

At the same time, as we have previously seen, regional governments face increasing pressure to develop innovative ways of approaching the international political arena. This entails a process of political recognition on the part of other actors involved at international level..

The argument here could be summarized as follows: *In the event of social demands for decentralized aid explicitly addressing the regional level, regional governments would 'instrumentalise' the symbolic value of decentralized aid politics to serve issues in the domestic political agenda, which increasingly require the region's international projection and recognition.*

Firstly, decentralized aid could fulfil a number of functions that might be connected with a broad process of identity construction. Regions' engagement in decentralized aid can be linked to wider processes of communitarian identity formation. Decentralized aid might help to build up the community inside regional borders by establishing ties with other communities in the developing world, or by reinforcing the links with members of the community living abroad (the diaspora).

Secondly, it can be also said that regions engage in decentralised aid programs as a means of reinforcing their presence in the international arena or in specific institutional settings, such as the EU. This process might lead to the foundation of a regional institutional profile at international level.

Thirdly, decentralized aid might help the regions to gain saliency in institutional competitive environments, where the distribution of competencies is not clearly defined or at least is contested by one or many of the actors involved. Success in developing their own international aid schemes gives regions new space to project their autonomy vis-à-vis State institutions. These gained spaces might be very important in the context of state-regions conflict on the nature of the division of power. The argument of this dissertation may be represented in the following figure:

Figure 6: Domestic political agenda and NGOs' demands.



Finally, it should be noted that this process is by no means automatic. Specific configurations of the domestic political agenda and the demands put forward by NGOs are also dependent on the structure of agents within the limits of the regional political system.

Issues of the political agenda are channelled not only through the activities of regional institutions, but also through the activities of actors intimately related to the everyday life of regional political system, such as parties or bureaucracies. At this point of the analysis, for the sake of clarity, we must talk about the region in institutional terms. Moreover, we have taken the region as a unitary actor focusing on the motivations of the regional government to engage in decentralized aid programs. Yet, I acknowledge that, given the diversity of actors involved in regional politics, we cannot confine ourselves to institutional actors or to the analysis of the role of institutions on the process of agenda accommodation presented above.

For instance, the structure of the coalition in government might determine which issues of the domestic political agenda are given preference and how are they mobilized in the creation of a decentralized aid program. In this case, whereas the final policy outcome can be interpreted as part of the implementation of the regional government's political program, it seems relevant to keep in mind the subtleties of inter-party accommodation within the governing coalition.

Nevertheless, given the limitations imposed by the scarcity of theoretical explanations on the origins of decentralized aid programs, we cannot offer a better theoretical assessment of the impact that the structure of agents within the regional political system might have on the configuration of decentralized aid programs. I believe that through an analysis of the two case studies presented here, we will be able to put forward empirical evidence that might help us in the task of theorising the politics of decentralized aid and the impact of actors operating within the institutions' black box.

The empirical part of this dissertation will try to explore at length the validity of the theoretical argument sketched so far, through the comparative analysis of two cases, the Basque Country and Tuscany. Yet, before presenting our empirical evidence, we will briefly present some considerations on a number of methodological decisions, such as the selection of a case-oriented approach, the case selection criteria and the specific methods of inquiry employed to gather empirical evidence.

V. Methodological considerations

V.1 Introduction

This dissertation presents a comparative case-study approach to the analysis of the origins of decentralised aid for development. As stated by a number of scholars, case-study analysis is a widely used strategy in social research, yet it is one that traditionally has been accused of lacking methodological and conceptual rigour¹⁸¹.

Firstly, case-oriented strategies are criticized for overstressing the uniqueness of the case rather than attempting to construct valid generalizable statements. Kitschelt has argued that case-oriented research must end up revolving '*around descriptive diachronic reconstructions of individual cases with very little systematic comparison*' and presenting such a complex narrative of causality that the only possible generalizable conclusion is that our case study represents an irreproducible *rara avis*¹⁸².

Secondly, case studies had been accused of a lack of methodological rigour: '*too many times, the case study investigator has been sloppy and has allowed equivocal evidence or biased views to influence the direction of the findings and the conclusions*'¹⁸³. Yet, as Charles C. Ragin points out, comparative case-oriented investigation is '*often both historically interpretive and causally analytic*'¹⁸⁴. That is, case-oriented comparative analysis not only serves the case of theory validation and the historical account of specific phenomena, but also might be an important device in establishing generalizations concerning the causes of theoretically defined categories of empirical phenomena common to a set of cases.

The following sections would explore the nature of case-oriented comparative analysis. As it is argued, case-oriented comparison rather than variable oriented comparison is selected

¹⁸¹ See Harry Eckstein: 'Case-study and Theory in Political Science' in F. Greenstein and N. Polsby (eds) 1975: '*Handbook of Political Science Vol. 7*'. Reading, Mass.: Addison Wesley Publishers pp. 79-81; Charles C. Ragin 1987: '*The Comparative Method: Moving beyond qualitative and quantitative strategies*' Berkley: University of California Press Ch. 3 and more specifically p. 34; Robert K. Yin 1994: '*Case-Study research*' London: Sage pp. 9-11.

¹⁸² See Herbert Kitschelt: 'Political regime change: Structure and process-driven explanations' *American Political Science Review* Vol. 86 No. 4 December 1992. p. 1028

¹⁸³ See Robert K. Yin 1994: '*Case-Study research*' (*op. cit.*) p. 9.

¹⁸⁴ See Charles C. Ragin 1987: '*The Comparative Method: Moving beyond qualitative and quantitative strategies*' (*op. cit.*) p. 35.

as the method of analysis for this dissertation. We then proceed by defining the level of analysis and the criteria followed for the selection of cases.

V.2 The logic of comparative analysis: variable-oriented vs. case-oriented comparisons

In an article published in 1991, David Collier claimed that *'the idea that comparison is a "good thing" is built into our intuitive sense of how we understand the world'*¹⁸⁵. As he further argues, *'comparison sharpens our powers for description and can be an invaluable stimulus to concept formation'*¹⁸⁶. Yet, within the subfield of comparative politics a lively debate concerned with the techniques of comparison has been taking place ever since, in the lead article of the first issue of the journal *Comparative Politics* in 1968, Harold D. Lasswell argued that comparative method is so central to good analysis that the scientific method is unavoidably comparative¹⁸⁷.

Part of the debate on the comparative method has been related to the distinction between case-oriented and variable-oriented approaches. To put it roughly, comparative case-oriented approaches look at cases as wholes, providing contextualized analysis of the political phenomena, whereas variable-oriented comparisons disaggregate cases into variables which are later compared as predictors of the scores of dependent variables.

A variable-oriented approach has been defended by Adam Przeworski and Henry Teune. They suggest that the real distinction between the assumption that observations of social reality are relative to particular social units and the one disregarding social relativism is that *'social units are treated as predictors in the same manner as variables are used as predictors in general theories'*¹⁸⁸. In their view, the role of the social sciences is that of substituting the names of social systems by variables. The underlying logic of comparative analysis, according to Przeworski and Teune, is stated clearly in the following passage: *'Social phenomena are not only diverse but always occur in mutually interdependent and*

¹⁸⁵ See David Collier: 'The Comparative Method: Two Decades of Change' in Dankwart A. Rustow and Kenneth Paul Erickson (eds) 1991: *'Comparative Political Dynamics: Global Perspectives on Research'* New York: Harper Collins p. 7

¹⁸⁶ *Idem.*

¹⁸⁷ Harold D Lasswell, 'The future of the Comparative Method' *Comparative Politics* 1. No. 1 October 1968, quoted in David Collier (*op. cit*) p. 7.

¹⁸⁸ See Adam Przeworski and Henry Teune 1970: *'The logic of comparative social inquiry'* New York: Wiley-Interscience p. 8

interacting structures possessing a spatiotemporal location. If stable these patterns of interaction can be treated as systems [...] Systems with which we ordinarily deal are organized in terms of several levels of components and the interactions within these systems are not limited to any particular level but cut across levels.[...] If social phenomena are treated as components of systems, two major implications follow. The first is that the behaviour of any component of a system is determined by factors intrinsic to the system and is relatively isolated from influences outside of the system. The fact that behaviour takes place within a relatively isolated context may mean that a certain proportion of the explanation may be found among factors extrinsic to all systems and a certain proportion may be found among factors that are intrinsic to particular systems and not generalizable across systems. [...] Our proposition is that characteristics of the particular systems can be expressed as variables, and as such would be applicable across the systems. In fact, whenever there is a system specific factor that seems to be necessary for explanation, the conclusion should not be that systems are unique but rather that it is necessary to identify some general factors so far not considered'¹⁸⁹.

Przeworski and Teune's logic of social comparative research is operationalized in two different research designs: the most similar systems research vs. the most different systems research design. The 'most similar systems' design would be rooted in the belief that 'systems as similar as possible with respect to as many features as possible constitute the optimal samples for comparative inquiry'¹⁹⁰. As they further argue 'common systemic characteristics are conceived as "controlled for", whereas intersystemic differences are viewed as explanatory variables'¹⁹¹. Yet according to Przeworski and Teune, the most similar systems may present problems of overdetermination, in that this design will fail to eliminate many rival explanations, leaving the researcher with no criteria to choose among them. Thus they proposed the 'most different systems' design, which 'takes as a starting point the variation of the observed behaviour at a level lower than that of the systems. Most

¹⁸⁹ See Adam Przeworski and Henry Teune 1970: 'The logic of comparative social inquiry' (op. cit.) pp. 12-13

¹⁹⁰ See Adam Przeworski and Henry Teune 1970: 'The logic of comparative social inquiry' (op. cit.) p. 32.

¹⁹¹ See Adam Przeworski and Henry Teune 1970: 'The logic of comparative social inquiry' (op. cit.) p. 33.

*often this will be the level of the individual actors, but it can be the level of groups, local communities, social classes or occupations*¹⁹².

Nevertheless, the logic of Przeworski's and Teune's most different systems research design was severely criticized by Arendt Lijphart in 1975. Lijphart claimed that Przeworski's and Teune's 'most different systems' design should fall on a different methodological stance than that of the comparative method¹⁹³. Following Lafferty, Lijphart stresses that it '*is not clear why this design is labelled most different systems, since its overriding purpose is to explain away system-level variables as either irrelevant or residual.*'¹⁹⁴. Lijphart proposed the *comparable-case strategy* as a kind of most different systems design in which '*the cases are selected in such a way as to maximise the variance of the independent variables and to minimize the variance of the control variables*'¹⁹⁵.

As Dietrich Rueschemeyer has pointed out, the above mentioned discussion on the nature of the most different cases approach is very much embedded in the vocabulary and scientific goals of systems theory¹⁹⁶. As David Collier further claims, since the seventies a growing interests in interpretive social sciences, concerned with deciphering the meaning of behaviour and institutions, has strengthened the justification for '*advancing cautiously*'. "Thick descriptions", concerned with revealing the underlying meaning of political phenomena and with seeing how this meaning is rooted in particular contexts, became more and more common in the practice of social sciences, leading to an emphasis on richly contextualized small-N comparative-oriented research designs that might account for complex problems of "conjunctural causation"¹⁹⁷.

¹⁹² See Adam Przeworski and Henry Teune 1970: '*The logic of comparative social inquiry*' (*op. cit.*) p. 34.

¹⁹³ See Arendt Lijphart: 'The Comparable-Cases strategy in Comparative Research' *Comparative Political Studies* Vol. 8. No. 2 July 1975 p. 164.

¹⁹⁴ See Arendt Lijphart: 'The Comparable-Cases strategy in Comparative Research' (*op. cit.*) p. 165.

¹⁹⁵ See Arendt Lijphart: 'The Comparable-Cases strategy in Comparative Research' (*op. cit.*) p. 164.

¹⁹⁶ See Dietrich Rueschemeyer: 'Can One or Few Cases Yield Theoretical Gains?' in James Mahoney and Dietrich Rueschemeyer (eds) (2003): '*Comparative Historical Analysis in the Social Sciences*' Cambridge: Cambridge University Press p. 320.

¹⁹⁷ See David Collier: 'The Comparative Method: Two Decades of Change' (*op. cit.*) pp. 14-15

In this vein, Charles C. Ragin has argued that the logic of analysis of variable-oriented comparisons, as is the case of Przeworski's and Teune's Logic of Comparative Social Inquiry, 'disembodies and obscures cases'¹⁹⁸. As he further states, 'in most variable oriented work, investigators begin by defining the problem in a way that allows the examination of many cases (conceived as empirical units of observation); then they specify the relevant variables, matched to theoretical concepts; and finally they collect information on these variables, usually one variable at a time, not one case at a time. From that point on the language of variables and the relations among them dominate the research process'¹⁹⁹.

According to Ragin, the alternative case-oriented approach places cases, not variables, at the centre. Case-oriented methods force the investigators to consider their cases as whole entities, not as a collection of variables. 'An interest in pin-pointing the combinations of conditions, the causal complexes, that produce specific outcomes encourages investigators to view cases as wholes'²⁰⁰.

Cases are considered together as composing a single situation. Furthermore, according to Ragin, case-oriented approaches stimulate a rich dialogue between ideas and evidence. Because these methods are flexible in their approach to evidence, they do not force the investigator to view causal conditions as opponents in the struggle to explain variation. Rather they provide a basis for examining how conditions combine in different contexts to produce different outcomes²⁰¹.

This dissertation embraces a comparative case-oriented approach. The reason for that is very simple. Case-studies have proven extremely suitable in the process of developing new theoretical ideas and generating hypotheses²⁰². This dissertation aims to bridge a gap in the literature of decentralized aid for development, that of analysing the origins of regional

¹⁹⁸ See Charles C. Ragin: 'Introduction: Cases of "What is a Case"' in Charles C. Ragin and Howard S. Becker (eds) 1992: *What is a Case? Exploring the foundations of social inquiry* Cambridge: Cambridge University Press p. 4.

¹⁹⁹ See Charles C. Ragin: 'Introduction: Cases of "What is a Case"' (*op. cit.*) p. 5.

²⁰⁰ See Charles C. Ragin 1987: *The Comparative Method: Moving beyond qualitative and quantitative strategies* (*op. cit.*) p. 52

²⁰¹ *Idem.*

²⁰² From Eckstein to Rueschemeyer, scholars have accepted the capacity of case studies to generate hypotheses. Yet, they contend with the 'conventional methodological wisdom' that the function of case-study analysis should not be reduced to that of generating hypotheses.

decentralized aid programs. In doing so, this dissertation brings together insights from two major realms: first, the literature on foreign aid and international relations and second, the literature on the so-called 'New Regionalism' and the international activities of constituents units. Yet this operation must be implemented carefully.

In this context of a lack of thick theoretical propositions and the cross-fertilization among different research realms, case-oriented comparison seem to be the most appropriate instrument, precisely because through the combination of induction and deduction it facilitates the exchange between theory and empirical evidence. As Dietrich Rueschemeyer claims, comparative case-oriented analysis can be very rewarding in the process of building substantive theoretical claims²⁰³.

However, as we have said in the introduction, the capacity of case-oriented comparisons to yield sound basis for the analysis of complex causal patterns with small-N of cases, might come at the cost of parsimony and consistency between evidence and theory and the possibility of building a controlled comparison of the cases. The reasons for this, as we explained before, are obvious. Case-oriented approach requires going back and forth from ideas to evidence and at certain point, narratives might overflow the limits imposed by theory. My contention is that this problem is satisfactory counterbalanced by the theoretical gains that a case-oriented comparison might yield. Therefore, given the constraints faced by this dissertation, case-oriented comparison, seems to me the most suitable strategy to conduct this research.

Anyway, following a comparative case-oriented strategy gives rise to a number of questions. First, we still have to decide how we define a case in the context of this dissertation, which cases might be analysed, and why. Then we should think about the possibilities for generalizable causal statements. The following sections are devoted to resolving these questions.

²⁰³ See Dietrich Rueschemeyer: 'Can One or Few Cases Yield Theoretical Gains?' (*op. cit.*) p.307

V.3 Can the region be a comparable unit of analysis?

The basic aim of this dissertation is to discover why regions decided to engage in decentralized aid politics. As result of the our theoretical analysis of the question we have proposed a procedural view as the most suitable approach to uncover the complexities of a region's engagement in foreign aid polices In this process, a number of agents such as NGOs, the European Union, State institutions and regional institutions are supposed to have an impact on the final outcome.

At the same time, decentralized aid is understood as having specific territorial implications (i.e. up to this moment we have talked about the Basque Country's decentralized aid policy or Tuscany's decentralized aid policy). Moreover, as we have claimed before, it is precisely the territorial implications of the policy outcome (the impact of a territorially bounded political agenda in a broader multilevel process of decision making) that informs the research question of this dissertation.

Therefore, the question arises as to how can we conceptualise our units of observation (cases) to account for the interaction of these dimensions, without discarding one of the dimensions of analysis? My contention here is that a definition of both the region and the regional level can be useful in identifying our units of observation and therefore how are we to constitute our cases.

V.3.1 Diversity, interdependence and the contested nature of the region as a unit of analysis

Identifying our unit of analysis is not such an easy task. Intuitively we can agree that, despite the alleged impact of exogenous agents, this dissertation focuses on the realm of regional politics. Yet, using the region as the level of analysis poses certain problems that tend to be ignored by scholars dealing with other analytical levels such as individuals or the State. To put it bluntly, the problem is that the region is not an evident unit of analysis, since it can be argued that it is too diverse and it is not integrated by independent units.

Critics of the notion of region had traditionally pointed out that this term covers wide and diverse social realities, which to some extent are hardly comparable. Their remarks point to the comparability of, for example, a German *Länder* and an ordinary region in Italy or a

French *département*. They assume that given the diversity of socio-economic structures and political autonomy in European regions, it is very difficult to cast regions alongside each other as if they correspond to a single level of analysis.

Patrick Le Galès and Christian Lequesne have argued that despite the prospects fifteen years ago, regions do not constitute a homogeneous level of government in Europe. According to them, the term region is a '*blanket term which refers to different realities according to country and historical diversity*'²⁰⁴.

Similarly, regions as an institutional actor are perceived in permanent relation to other levels of government. Regions are part of the broad design of vertical distribution of power within the State. Regions are seen as occupying a subordinate position vis-à-vis the State. Patrick Le Galès has defined this relationship almost in terms of a zero sum struggle for political power. The lack of independency affects the way in which we might look at the region as a level of analysis. As he further insists, '*nation-states reorganize according to logics which seem more comparable even though their capacities vary considerably*'²⁰⁵.

At a methodological level, Patrick Le Galès' framework of analysis has important implications. First, neglecting the existence of a regional level of analysis implies that regional politics are seen as part of broader analytical construct: for instance, as part of process of multilevel political bargaining, or embedded into the broader framework of centre-periphery relations.

The notion of level of analysis is thus contested, at least in the realm of regional politics and substituted by governance structures in which regions are merely an actor. Second, the possibility to engage in region to region comparisons is also questioned. Regions, according to Le Galès, are too diverse on the basis a number of socio-political and

²⁰⁴ See Patrick Le Galès: 'Conclusion: Government and Governance of Regions: Structural weaknesses and new mobilizations' in Patrick Le Galès and Christian Lequesne (eds.) 1998: '*Regions in Europe*' London: Routledge p. 248. It is worth noting that the French version of the same book published a year earlier seems to be more openly critical of the notion of region, beginning with its title '*Les paradoxes des régions en Europe*'.

²⁰⁵ See Patrick Le Galès: 'Conclusion: Government and Governance of Regions: Structural weaknesses and new mobilizations' (*op. cit.*) p. 251. This declaration is by no means surprising. The State has been traditionally understood as "the level of analysis", as a self-evident unit of analysis. As R.B.J Walker states, the I.R. theory's consensus on the Westphalian system of states introduced implicitly the State as an independent unit of analysis, and to some extent as the sole unit of analysis in I.R. Theory. See R.B.J. Walker, 1993: '*Inside-outside: international relations as political theory*'; Cambridge. Cambridge University Press.

economic characteristics. He even comes to the point of neglecting the possibility of using the word region as a catch-all word for referring to distinct constituent units. As a matter of fact, given the diversified nature of the regional level within Europe, it is very difficult to establish a common ground that permits effective cross-national comparisons between regions.

Yet, one can argue the existence of the region is implicitly acknowledged in Le Galès' argument.²⁰⁶ Patrick Le Galès basically structures his claims along the diversity showed by regions according to a set of indicators. These might include economic performance, constitutionally guaranteed political autonomy, institutional structure, etc. At this point the wide diversity of European regions is clearly evident. Yet, it can be argued that the fact that all these indicators can be collected and compared presupposes the existence of entities that are somehow comparable. Regions, as is also the case for States, do not perform in the same way. One could equally argue whether the United States of America can be compared to, let's say, Togo or Liechtenstein. Acknowledging diversity in the characteristics shown by our units of analysis should not entail denying the existence of the category itself. On the contrary the way in which we construct our categories must be very much aware of this diversity and therefore must provide the elements to reconcile it in broader theoretical constructs.

Nevertheless, the constructed nature of the notion of region as a scientific category can be employed as an argument against the possibility of comparative analysis of regions. Regions as social categories are sought as the unrepeatable construction of those looking at them. The constructed nature of social categories, understood in this radical way, cast doubts on the possibility of achieving a generalizable notion of region, beyond the limits imposed by the lens of the single social scientist looking at it. Let us tackle the constructionists' argument in more detail.

²⁰⁶ This is a phenomenological approach to the notion of Region. Yet, precisely because it points to the existence of some essences behind the measurement of certain characteristics, it is rather incomplete and requires further analysis of the major features of the region.

V.3.2 The region as a constructed unit of analysis

According to Allen, Massey and Cochrane, the manner of conceptualising the region is intimately bound up with the wider debate about the conceptualisation of space and place. According to these authors the notion of region might be captured by two principles. First, it embodies a strongly relational approach to thinking about space and place. It understands both space and place as constituted out of spatialized social relations -and narratives about them- which not only lay down ever-new regional geographies, but also work to reshape social and cultural identities and how are they represented. Second, it acknowledges that such studies are always done for a purpose, with a specific aim in view. Whether theoretical, political, cultural or whatever, there is always a specific focus. One cannot study everything, and there are always multiple ways of seeing a place: there is no complete 'portrait of the region'. Moreover, 'regions' only exist in relation to particular criteria. They are not 'out there' waiting to be discovered; they are our (and others') construction²⁰⁷.

Put simply, as they further argue, regions are not given to us; they come with a particular set of economic and social legacies and a particular geography, thus setting, in a very real sense, the context for how can we re-imagine the region and its relations to other actors.

Spaces/places are constructed both materially and discursively, and each modality of this construction affects the other. Moreover, every place or region 'arrives' at the present moment trailing long histories: histories of economics and politics, of gender, class and ethnicity; and histories too of the many different stories which have been told about these. The complex ways in which a region is constructed and read at any time is the result of these histories and of what is made of them²⁰⁸.

As a result, bounded regions/places cannot be taken as given to the analysis. Rather, they should be questioned in the process of casting adequate definitions to our object of study. As Allen *et al.* puts it, '*it is impossible to take existing bounded regions/places as simply given to the analysis. This is not to say that such boundaries will never adequately define a*

²⁰⁷ See John Allen, Doreen Massey and Allan Cochrane 1998: '*Rethinking the Region*' London: Routledge pp.1-2.

²⁰⁸ See John Allen, Doreen Massey and Allan Cochrane 1998: '*Rethinking the Region*' (*op. cit.*) p. 9.

region, nor that they can be assumed not to be important; rather is merely to stress that they should never be taken unquestioningly as adequate definitions²⁰⁹.

Categorization and classification through concepts and definitions are means of constructing the social reality. Categories are the cognitive lens through which we might connect the level of epistemology with the level of ontology. As Friedrich Kratochwil has argued, *'Epistemological and ontological levels might not be that independent of each other, but are probably 'tightly linked through the mediating lens of the linguistic/conceptual structure' of the discourse in a field'*²¹⁰.

The notion of region as a scientific category is determined by a set of shared representations of what a region is in the specific linguistic domain of the field, that goes far beyond the limits of the story aimed at being told. Thus, in a sense the object of our theoretical inquiry is not a 'thing' in the world but a more or less coherent combination of different ways of seeing places and space.

Moreover, shared representations of what a region is determine our ways of approaching the region and the analysis of regional politics. As Kratochwil further argues, *'social objects are not simply describable in terms of purely observational categories or measurement procedures. Rather their description must make reference to the shared representations underlying the actions of actors'*²¹¹.

The analysis of an specific issue of regional politics entails the existence of shared representations of what a region is, which help us to classify disperse reality into broader linguistic/conceptual structures. W.V. Quine puts it in the following terms: *'Recursion'*²¹² is

²⁰⁹ See John Allen, Doreen Massey and Allan Cochrane 1998: *'Rethinking the Region'* (op. cit.) p.137.

²¹⁰ See Friedrich Kratochwil: *'Constructing a New Orthodoxy? Wendt's 'Social Theory of the International Politics' and the Constructivist Challenge'* *Millennium: Journal of International Studies*, Vol. 29, No. 1, 2000 p. 73.

²¹¹ See Friedrich Kratochwil: *'Constructing a New Orthodoxy? Wendt's 'Social Theory of the International Politics' and the Constructivist Challenge'* (op. cit.) p.74. The problems of defining the object of study in the social sciences can be redirected to the problem of the independence of the language of science. Giovanni Sartori argues that the object of study of political sciences is *in primis* the language of practical politics. At this point, the question arises as to what extent the language of political sciences can be different to that of politics. See Giovanni Sartori 1980: *'La politica: Logica e Metodo in Scienze Sociale'* Milano: SugarCo edizione pp. 44-45.

²¹² A recursive definition according to the *Oxford Companion to Philosophy* would be the one that *proceeds by first specifying a special subclass of the item it applies to in terms of a relation which any such item bears to an item to which the expression already applies. Thus the term ancestor may be defined recursively as follows: (1) Both of a person's parents are ancestors of that person; (2) any parent of an ancestor of a*

*vital to one's command of language [in this case the language of regional politics]. There are countless sentences, never yet uttered, that we stand ready to utter if occasion arises, and countless sentences as yet unheard that we would understand if we heard them; and the key to this infinite store is recursion*²¹³.

At the same time, our analysis of specific issues in regional politics contributes to the creation of new narratives on what the region and regional politics are all about. The construction of the region as a scientific category seems to be a function of the very process of social construction of the region as a social category, and the mediating effects of the language of different scientific domains in which regions become an object of study.

Claiming the constructedness of categories does not imply that we should not define it properly, or make an explicit statement on the underpinnings of the notion of region and regional politics implicit in our analysis. On the contrary, taking the constructionist argument on the constructedness of regions seriously implies an explicit account of the implicit meanings attached to the notion of region in this dissertation.

V.3.3. The region as a unit of analysis

In a recent publication Michael Keating *et al.* have defined regions as '*systems of social regulation and of collective action, built by political and social actors in given contexts, reflecting the balance of social and economic forces and open to change*'²¹⁴. According to these authors, these systems emerge at various spatial levels. One of these would be the intermediate or meso level.

L.J. Sharpe claims that the European political scene is witnessing the emergence of a new '*decision space*' which might be labelled *meso-level*. The adjective meso refers to its

person is also an ancestor of that person; (3) nothing else is an ancestor of a person. See Ted Honderich (ed.) 1995: '*The Oxford Companion to Philosophy*' Oxford: Oxford University Press p. 749.

²¹³ See W.V. Quine 1987: '*Quiddities: An intermittently Philosophical Dictionary*' Cambridge Mass.: The Belknap Press of Harvard University Press p. 174. As argued before, formal legalistic criteria or economic indicators do not allow us to construct such a level of analysis; it might be precisely because we are asking the wrong informants for the characteristics of the *regional level*. In other words, those criteria, that in the hands of Patrick Le Galès served to point out the radical differences among regions in Europe, presuppose the existence of a regional level of analysis, but cannot explain what it consists of since they apprehend only a small portion of the broad phenomenon.

²¹⁴ See Michael Keating, John Loughlin and Kris Deschouwer 2003: '*Culture, institutions and economic development: a study of eight European regions*' (*op. cit*) p. 30.

position between the national (central) and the local levels²¹⁵. In this way the author avoids (and he makes this concern explicit) referring to the regional level, an expression that he regards as unnecessarily conflating the notion of region with the notion of an intermediate level of government. Regions would be part of these meso-decisional spaces grouped in the notion of meso-level. According to Sharpe, the determinants of the rise of the meso-level are to be found principally in the rise of new forms of 'regional nationalism,' which are scattered throughout Europe.

Stefano Bartolini has pointed out that the eighties witnessed a further wave of demands for territorial representation which were attached to new forms of territorial politics²¹⁶. He takes the view that this latter wave of territorial politics differs in many ways from previous historical phases and examples of territorial resistance.

First, it is based on a '*new form of nationalism or cultural identity which no longer aims at the establishment of its own independent statehood but at a change and revision of the form of the state which can provide new opportunities of local autonomy*'²¹⁷.

Second, it is developing in the context of creating new centres and new types of centres in the international environment. '*The relationship between the centre and periphery is no longer based on the dyadic relationship between the state and the regional distinctive community. Therefore it can no longer be only or exclusively dealt with within the nation state through its policy of concessions or administrative reforms*'²¹⁸.

Third, it is based on and articulated by new types of local political mobilisation.

Fourth, '*it is based on a new perception of the institutional competition among territories within, as well as outside, the nation state for the accession and acquisition of resources which are no longer exclusively dependent from the centre of the State. This also implies that it is based on the perception of communality of interests and problem-pressures among*

²¹⁵ See J.L. Sharpe: 'The European Meso: An appraisal' in J.L. Sharpe (ed.) 1993: *The rise of the meso-government in Europe* London: SAGE publications pp.1-36.

²¹⁶ See Bartolini, Stefano (2000): '*Old and New Peripheries in the European Processes of territorial expansion*' Estudio/Working Paper 2000/153; Fundación Juan March, Centro de Estudios Avanzados en Ciencias Sociales: Madrid. p. 2.

²¹⁷ See Bartolini, Stefano (2000): '*Old and New Peripheries in the European Processes of territorial expansion*' (op. cit.) p.3

²¹⁸ *Idem.*

*territories which are neither belonging to the same nation-state, nor are they necessarily contiguous in territorial terms*²¹⁹.

Fifth, it is likely to create new types of *'constitutional and political strains within the nation-state as its claims may determine differential attitudes on the extent and deepness of the participation into supra-state integration processes'*²²⁰.

Regions can to be characterized as the crystallization of a special kind of territorial relations. As Robert D. Sack states, territoriality is primary a geographical expression of social power. It is the means by which space and society are interrelated²²¹. Thus, he defines territoriality as *'the attempt by an individual or group to affect, influence or control people, phenomena and relationships, by delimiting and asserting control over a geographic area'*²²². This area will be called the territory.

Territoriality has three major effects. First, it involves a classification by area. Second, by definition, territoriality must contain a form of communication. This may involve a marker or sign such as is commonly found in a boundary. A territorial boundary may be the only symbolic form that combines a statement about direction in space and a statement about possession and exclusion. Third, each instance of territoriality must involve an effort at enforcing control over access to the area and to things within it, or things outside of it by restraining those within. More generally, each instance must involve influencing interactions: transgressions of territoriality will be punished and this can involve other non-territorial and territorial action²²³.

These three major functions of territoriality delimit what Anssi Paasi has called the process of regions' spatial institutionalisation. According to him, the region seems to be the *'meeting point of various concepts of space'*²²⁴. These concepts of space are interrelated in a broader process of spatial institutionalisation that can be subdivided analytically into three

²¹⁹ *Idem.*

²²⁰ *Idem.*

²²¹ See Robert David Sack (1986): *'Human Territoriality: Its theory and history'* Cambridge: Cambridge University Press p. 5.

²²² See Robert David Sack (1986): *'Human Territoriality: Its theory and history'* (*op. cit.*) p. 19

²²³ See Robert David Sack (1986): *'Human Territoriality: Its theory and history'* (*op. cit.*) pp. 21-22.

²²⁴ See Anssi Paasi 2001: *'Europe as a Social Process and Discourse. Considerations of Place, Boundaries and Identity'*; *European Urban and Regional Studies* vol. 8 n.1 p. 16.

main sub-processes: first, a process of *territorial shaping*; second, a process of *symbolic shaping*; third, a process of *institutional shaping*²²⁵.

According to Paasi, the 'region' always requires '*some kind of borders, even if these don't need to be exclusively physical lines*'²²⁶. He suggests that the notion of border operates at many different spatial scales. Streeck and Schmitter had defined regions as '*a territorial society without control of its borders*'²²⁷. Yet, as Paasi further argues, the border cannot be interpreted just as a fixed *passive line* (somehow imposed by the states). The border is the result of a process of social construction in which territories and their meanings are contested. As Rose has argued, boundaries have a dual role in the construction of a 'sense of place', which basically consists of defining those who are members of the group and those who do not belong to it²²⁸. Yet, borders not only separate but also mediate exchanges and contacts between social groups. The notion of the region as a bounded space delimited by specific borders is quite an intuitive idea. The notion of border itself, however, should not be taken as a given, but as the expression of '*power structures and social division of labour*'²²⁹.

Symbolic shaping is also a crucial process in the institutionalisation of all regions. According to Paasi, '*political elites have put labels on concrete and symbolic landscapes to divide and control space and people*'²³⁰. Spatial labels are crucial in signifying territoriality. Symbols might be the expression of the territorialization of memory and the past, but others might emerge from current life.

Finally, institutional shaping refers to the process by which institutions maintain and reproduce both the territorial and symbolic nature of the regional space. Institutional shaping is a relational process. Regions are autonomous units, not sovereign units. Sovereignty is a characteristic that belongs to a specific legal edifice, the state legal system. Whereas sovereignty defines spaces of exclusion, autonomy merely determines rules for

²²⁵ *Idem.*

²²⁶ *Idem.*

²²⁷ Streeck W. and Schmitter P.: 'From national corporatism to transnational pluralism', *Politics and Society* vol. 19 1992 p. 153

²²⁸ Rose G. 'Place and Identity: a sense of place' in D. Massey and P. Jess (eds) 1995, '*A place in the world?*' Oxford, Oxford University Press. Quoted in Anssi Paasi 2001 (*op. cit.*) p. 17.

²²⁹ See Anssi Paasi 2001: 'Europe as a Social Process and Discourse. Considerations of Place, Boundaries and Identity' (*op. cit.*) p. 17.

²³⁰ *Idem.*

agents' interrelations. As we have seen in previous sections, regions' autonomy can be predicated vis-à-vis a number of different instances. Regions might be autonomous vis-à-vis the state, but they also are autonomous vis-à-vis supranational institutions or the market. Changes in the regime of autonomy might alter the detour of spatial institutionalisation in a single region, triggering new processes of symbolic or territorial shaping that might change the dynamics of institutional reproduction and the patterns of relation with other institutional structures. Moreover, as we have previously discussed, autonomy beside its relational characteristics is above all a fluid concept, that is, it is subject to a constant process of restructuring through social and political mobilization from below, but also from above.

As Michael Keating has argued, *'it is in the combination of these various [spatial] logics that the phenomenon of regionalism can be understood'*²³¹. Regionalism can be perceived as a project to construct a new system of social regulations, drawing in existing elements of the social structure, mobilizing cultural and political symbols for particular purposes and constructing institutions in government and civil society²³².

In sum, our way of treating the regions takes into consideration the following features. Firstly, following Sharpe's work, we identify the 'meso' as a decisional level located (in the spatial distribution of power) in an intermediate space between the centre and the local. Secondly, this level is integrated by territorial units, which, according to Sack, perform functions of classification, communication and enforcement. Third, territoriality resumes, as Michael Keating's and Anssi Paasi's works quoted above have highlighted, into a process of spatial institutionalisation (integrated by processes of territorial, symbolic and institutional shaping) that influence day to day political practices and the imaginary of the agents operating within this constituent units. Finally, this process takes place in a context of relationships which are regulated by the autonomy principle. As Michael Keating argues, *'regions are not closed systems, but embedded in wider State and European networks'*²³³.

²³¹ See Michael Keating: 'Is there a regional level of government in Europe?' in Patrick Le Galès and Christian Lequesne 1998 *'Regions in Europe'* (op. cit.) p. 11-12.

²³² See Michael Keating, 2001: *Rethinking the region: culture, institutions and economic development in Catalonia and Galicia*; Florence: EUI Robert Schuman Centre Working Papers : RSC 2000/43.

²³³ See Michael Keating, John Loughlin and Kris Deschouwer 2003: *'Culture, institutions and economic development: a study of eight European regions'* (op. cit) p.39.

Thus, the process of spatial institutionalisation takes place in relation to similar processes occurring at different spatial levels, such as the EU, the State or the local level.

V.4 Identifying the cases

So far we have discussed the notion of region as the framework in which our analysis will unfold. Characterized as the territorial units resulting from a process of spatial institutionalisation, the regions constitute a specific category integrated within the broader notion of the meso-level of government.

Regions are defined as having constructed (as opposed to fixed) and relational (as opposed to sovereign) characteristics. The proposed constructed nature of the region as a space is consistent with the procedural analysis of decentralized aid proposed earlier. Understanding the region as a system of social regulation defined by processes of political mobilization both from above and from below can help us to better understand the regional politics of decentralized aid, as part of a broader process of social construction. The relational characteristics of our concept of region might help us to better integrate the politics of a region's decision making into a broader context of governance without diluting the identity of the region as a political actor, yet without reifying the region as a political actor.

Having determined the characteristics of the political units we are looking at, we can now distinguish the criteria for selecting the cases. Before undertaking this task, we should briefly discuss the logic of the 'most different cases' approach to case-oriented research employed in this dissertation. Then we will be able to trace the patterns of differentiation among the cases and explain why Tuscany and the Basque Country fit these patterns.

V.4.1 Identifying the logic of comparison and the problems of finding two most different cases

As Charles Ragin argues, the logic of comparative case-oriented strategies is roughly articulated along John Stuart Mill's presentation of the canons of experimental inquiry in *A*

*System of Logic: Ratiocinative and Inductive*²³⁴. John Stuart Mill defines four different methods of experimental inquiry. These are: the method of agreement; the method of difference; the method of residues, and the method of concomitant variation²³⁵. Yet the logic of comparative analysis in social sciences focuses on the application of either the logic of the method of agreement or the logic of the method of difference.

The underlying logic of the method of agreement can be summarized in the following statement: '*if two or more instances of the same phenomenon under investigation have only one circumstance in common, the circumstance in which alone all the instances agree, is the cause (or effect) of the given phenomenon*'²³⁶. Applied to comparative case-study inquiry, the logic of the method of agreement would be that of looking for two cases that, sharing the same value on the dependent variable, would differ in all possible conditions but one.

In the opposite sense, the logic of the method of difference would be the following: '*if an instance in which the phenomenon under investigation occurs and an instance in which it does not occur have every circumstance in common save one, that one occurring only in the former; the circumstance alone in which both cases differ, is the effect or the cause, or an indispensable part of the cause, of the phenomenon*'²³⁷. Applied again to a comparative endeavour, the logic of the method of difference would be to compare two cases that, holding different values on the dependent variable, share all the possible conditions but one that would be the efficient condition.

These two logics of inquiry lead to two different ideal approaches to comparative analysis. The logic of the method of agreement results in a most-different cases approach, whereas the logic of the method of difference leads to a most-similar cases approach.

Yet, any of these logics of inquiry present an obvious problem when applied to social research, that is it is very difficult to find in social reality two cases that differ in all the possible instances but one (and vice-versa: cases that are similar in all possible instances

²³⁴ See Charles C. Ragin 1987: '*The Comparative Method: Moving beyond qualitative and quantitative strategies*' (*op. cit.*) p. 36

²³⁵ See John Stuart Mill (1973): '*A system of Logic: Ratiocinative and Inductive*. [1843]' Toronto: University of Press. Book III, Chapter VIII.

²³⁶ See John Stuart Mill (1973): '*A system of Logic: Ratiocinative and Inductive*. [1843]' (*op. cit.*) p. 390

²³⁷ See John Stuart Mill (1973): '*A system of Logic: Ratiocinative and Inductive*. [1843]' (*op. cit.*) p. 391

but one). Instances in the social sciences share many characteristics and differ in many other characteristics, thus the selection of the cases is obviously theoretically determined. Cases must be selected according to the set of instances identified as relevant in theory. Yet, the interaction of theory and empirical analysis might present some problems. Let us examine this more carefully.

As we said before, social reality does not provide for such a thing as two cases that differ only in terms of a single variable. 'Most different cases' is thus a relative assertion that must refer to something else. That is, these are the most different cases according to an X set of characteristics, which we understand as relevant to our analysis. Theory and case selection are therefore related, because it is only through proper theory that we can decide what are the characteristics of the cases that we might take as relevant for establishing our research design.

The problem arises when one tries to implement this simple statement. Ill-defined theory might lead us to erroneous case selection and to wrong conclusions. One way of overcoming the problem in case-oriented comparison lies in taking cases as wholes, not as collections of variables. Taking cases as wholes reduces the problem of defining the relevant set of criteria for case selection since the aim is to offer a detailed and contextualized appraisal of the issue at stake. Yet, this might create a problem when trying to offer generalizable statements of causal process. Too rich or too much contextualized research might end up at best asserting the uniqueness of the causal pattern in each of the cases analysed; at worst offering a more or less detailed description of a succession of historical events.

Therefore, a compromise must be reached between taking cases as wholes and explanation. This compromise can be defined in terms of the exchange between theory and empirics which characterize case-oriented comparisons. For the case selection strategy we might rely on theoretical considerations, whereas the confirmation of case-selection criteria arises from a wider knowledge of the social reality to which we are going to apply them. Here are some criteria that have limited the universe of possible cases.

In this dissertation, we have chosen a most different two cases comparison design. The major advantage of this design is that it permits the researcher to assess a great amount of variation by dealing only with the analysis of two cases.

According to the theoretical premises, our cases should show diverse patterns of interrelations among the different actors identified before. They should show a distinct geometry of the procedural elements behind regions' engagement in decentralized aid for development, whereas they should positively engage in decentralized aid for development²³⁸. In this way we should be able to evaluate the explanatory power of the geometry of the supply-side triangle, and within it the interaction between demands and the process of region building²³⁹.

The selection of cases has been bounded within the limits of the EU (fifteen member states). The reason for that is to control for the impact of European decentralized aid schemes in the development of decentralized aid programs at the regional level. The impact of EU policy is not homogeneous all along the EU regions. In the realm of foreign aid, as we have already seen, whereas EU policy has encouraged sub-state units participation since very early, not all EU regions have responded positively to the impact of EU policy schemes. Thus, selecting a non EU region would have led either to overstress the impact of EU programs on regional domestic politics, or, on the contrary, neglect this impact. Choosing two EU regions might yield for a more nuanced assessment of the impact of the EU in the constitution of decentralized aid schemes at the regional level.

On top of that, in the cases analyzed in this dissertation the capacity of constituent units to go abroad has not been decentralized. Going back to Figure 5 representing State's resources

²³⁸ In early phases of the research design it was decided that only those cases that would show a positive score on the dependent variable, that is the existence of decentralized aid for development programs, will be selected. The reason for that is obvious, even if it would have been interesting, in terms of research design to analyze a negative case, the constraints imposed by qualitative research and case-oriented comparisons make it unfeasible. Five years ago there were not that many European regions that have engaged in decentralized aid for development programs. To my knowledge, only the Italian and Belgium regions, the Spanish Autonomous Communities and the German and Austrian Länder have developed such policy schemes, whereas in France and countries such as Sweden or Denmark decentralized aid is implemented at the local level.

²³⁹ Only pioneer regions are taken into consideration since it is by choosing pioneer regions we avoid the problems derived from the practices of institutional isomorphism and imitation of successful policies, and we can control for the explanatory power of the different geometries identified in earlier sections.

and strategies, this dissertation explores cases which are situated in the Northern regions of the figure²⁴⁰.

Polities in which constituent units got recognized the capacity to develop their own foreign projection schemes, as it is the case of Germany or Austria, but also the case of Belgium, fall off the empirical puzzle tackled in this dissertation for the simple reason that there is very little to be explained from the point of view of the regional politics if the federated level has established constitutional provisions to facilitate constituent units' projection abroad. Actually, those cases in which coordination between centre and periphery is ensured by means of recognizing a particular sphere where the constituent units' have the entitlement to pursue their own foreign policy schemes, as it is the case of the Southern regions of figure 5, would be more interesting from the point of a negative score in the dependent variable. Yet, to my knowledge such a case does not exist within the federal states of the European Union²⁴¹.

Last but not least, given the methods selected, the universe of possible cases had to be constrained to those countries in which it was possible for me to conduct interviews and analyse documents. Interviewing and document analysis require absolute command of the language spoken in the regions we are dealing with. Interviewees express differently when forced to speak in a different language than their mother tongue. What is more, the use of an interpreter or a translator seems to present more problems than what it resolves since it implies introducing a mediator between the source of evidence and the researcher, which has to interpret it.

Consequently the universe of cases has been reduced to a comparison between Italian regions and Spanish autonomous communities. In France decentralized aid for development policies are carried out at the local level, whereas in the case of the United Kingdom decentralized aid for development schemes have not been implemented yet²⁴². My proposal is a comparison between the Basque Country and Tuscany. Both regions respect the limits we have imposed to our universe of possible cases, whereas I believe that they

²⁴⁰ See: Figure 5: State's resources and strategies in p. 108

²⁴¹ In three out of the three EU member States in which constituent units got recognized a specific sphere in which they might pursue their own foreign projection, foreign aid schemes are developed by constituent units. These are: Austria, Belgium and Germany. This reduces the number of possible cases from 66 cases in which we have a positive score in the dependent variable within the limits of the European Union to some 37 cases

can be taken as an example of most different cases, within the limits established in earlier paragraphs.

V.4.2 Basque Country vs. Tuscany

As we anticipated in the previous section, this dissertation compares the political processes leading to the establishment of decentralized aid policies in the Basque Country and Tuscany. The Basque Country and Tuscany are constituent units of what we had previously termed the European 'meso-level'. Both regions enjoy a middle position within the spatial distribution of power in their respective states. In both cases, we can find traces of the process of spatial institutionalisation, yet these processes determine different geometries in the patterns of relations that, according to our initial analysis, lead to a regions' engagement in foreign aid. The differences between the Basque Country and Tuscany's patterns of interaction can be summarized as follows.

Firstly, both cases are located in different national contexts which determine a different status of autonomy. The Basque Country enjoys a high level of political and fiscal autonomy within the Spanish State, whereas Tuscany is among the ordinary statute regions in Italy which means it has a lesser degree of political autonomy and almost no fiscal autonomy. At the same time, Spain is considered an almost-federalized regional state. Regions in Spain enjoy a wide sphere of political and administrative autonomy, while the State retains some functions. The pattern of State-Regions relations is very much casuistic. In the case of the Basque Country, it entails major conflict about the status of the region within the Spanish institutional structure.

Italy is a regionalized state, yet decentralization has traditionally been restricted by the politics of national party confrontation and therefore, local and regional powers have to be understood in the broader structure determined by the party system. Yet, these characteristics of Italy's structure of vertical distribution of political power might be changing recently, thanks to a number of political reforms intended to enhance regional autonomy and install a federal style regime. State-region relations have been very much

²⁴² Actually, the Scottish Parliament is working out a new scheme of foreign projection for Scotland that in a nearby future might include foreign aid. Yet, to my knowledge this initiative has not been approved yet.

mediated in the past by party structures. Yet the direct election of regional presidents, approved after constitutional reform could result in the constitution of a proper regional elite with their own priorities beyond party directives, and enjoying greater democratic legitimacy.

Secondly, both regions show distinct patterns of interaction with European institutions. The Basque Country has been a very active region in the European field since Spanish accession to the CEE and has maintained its own representation office in Brussels. Tuscany's relations with the EU have been traditionally mediated by the Italian State; it is only recently that a number of regions from centre Italy managed to open a representatives' office in Brussels, which limits Tuscany's own role vis-à-vis the European institutions.

Thirdly, the structure of social mobilization in both regions seems to be rather different. In the Basque case, a number of highly active religious organizations interact with left-wing organizations in a very much territorially bounded system. In Tuscany, organizations tend to be more dispersed, they operate at different institutional levels and are scattered along a white vs. red ideological axis in which peculiar forms of ideological syncretism take place. This causes very different patterns of social mobilization in the field of international economic co-operation. Organizations' mobilization strategies tend to be more intensive in the case of Basque organizations, whereas NGOs in Tuscany tend to integrate their efforts in multilevel strategies combining different institutional tiers.

These set of elements can be summarized in the following table:

Table 1: Tuscany vs. The Basque Country

	<i>Tuscany</i>	<i>The Basque Country</i>
<i>Relations with the State</i>	Traditionally mediated by national party politics. Recently gained some autonomy. Yet, very much dependent on the state for fiscal resources	Since 1978, enjoys a special status within the Spanish State. High level of political and fiscal autonomy. Ongoing conflict with the Spanish state on the status of the region within the institutional architecture of the country.
<i>Relations with the European Union</i>	Mediated by the State. Recently Tuscany has joined other regions from centre Italy opening a joint representatives' office in Brussels.	Has developed an intense political activity since Spanish accession to the EEC. Holds its own representatives' office in Brussels.
<i>Type of NGO mobilization</i>	Disperse. Includes a multiplicity of institutional levels	Intensive. Very much concentrated in the territory of the Basque Country
<i>Engagement in Decentralized aid for development schemes</i>	Yes	Yes

As a result the Basque Country and Tuscany seem to fulfill the requirements for a most different cases approach comparison. Both cases show a priori different patterns regarding the interactions with NGOs, State administration and European institutions. In Part II and Part III the politics of decentralized aid in the Basque Country and Tuscany are analysed. Yet, before getting there, I enlist the sources over which this analysis is constructed.

V.5 Sources of empirical evidence.

There are three major sources of empirical evidence for this dissertation: first, documents analysis. These include political programs, regional laws, political discourses, NGOs leaflets, national laws, international organizations documents. Second, in-depth interviews with informants from the regional administration and NGOs. Third, secondary literature.

PART II: THE POLITICS OF DECENTRALIZED AID IN THE BASQUE COUNTRY

PART II: THE POLITICS OF DECENTRALIZED AID IN THE BASQUE COUNTRY

I. Introduction.

In 1985 the Basque Government allocated a symbolic sum, (ten million ptas around sixty thousand euro), to finance local NGOs' international co-operation initiatives. This pioneer initiative was the beginning of Basque administration's engagement in decentralized aid for development policies.

The aim of this chapter is to assess the historical evolution of Basque government's international aid schemes from 1985 to the present day. The empirical evidence presented here, suggests that Basque international co-operation programs are the result of complex interactions between a structured system of social actors and the political program of Basque institutions.

The nature of these interactions has changed in time, leading to the three distinct phases. The first phase, 1985-1989, is marked by the intense mobilization of local NGOs. The second phase, 1990-1998 witnesses an intense process of institutionalization of the policy. The process of institutionalization is marked by three major features. First, the Basque administration would try to create a regional system of international co-operation with the participation of other institutions in the territory. Second, the decisional capacities would be more and more concentrated in the hands of institutions, progressively relegating NGOs out of the decisional phase into the implementation phase. Third, this period witnesses the construction of a proper discourse around the Basque administration's engagement in decentralized aid schemes, which is consistent with a new way of understanding the international projection of the region. The third phase begins in 1998 and is marked by important changes in the political agenda of Basque regional administration. From 2001 to 2005, changes in the structure of inter-coalition relations resulted in the concentration of international aid (together with Social Policy) in the hands of IU, a non-nationalist left-wing party. In line with the new distribution of competences, a major change in the patterns of the political discourse has taken place.

The structure of this chapter aims to reflect this pattern of evolution. Thus, empirical evidence will be structured diachronically. The first section presents the period 1985-1990, concentrating on the political mobilization of NGOs. I will try to show how NGOs

succeeded in incorporating international development into the regional political agenda. Then the Basque administration, even though it lacked the appropriate expertise in the field, managed to put forward a political program that would link somehow NGOs' demands with specific issues of the domestic political agenda. The Basque administration linked NGOs demands to a foreign policy agenda centered on the relations with Basque emigrants communities and the process of institution building within the newly-coined *Estado de las Autonomías*.

The second section of the chapter deals with the period 1990-1998. The main scope of this section is to understand the evolution of the process of policy institutionalization and the creation of a political discourse for Basque international aid. As we said before, this process is defined by the progressive centralization of decisional capacities in the hands of the Basque government vis-à-vis both organizations in the civil society and local institutions. Yet, this process was not without problems. As I will try to show, at a certain point in 1998 NGOs would try to recover a substantive role in the decision-making process. Evidence from this period shows how, despite the NGOs' efforts, the Basque government managed to maintain control over the policy, while restructuring the relationships with NGOs. It is at this point that the Basque administration defined a new discursive pattern which was centered on the reinterpretation of Basque emigration as a phenomenon and social mobilization in the period 1985-1989.

The third section of this chapter focus on the major changes affecting Basque politics since 1998 and their impact on international co-operation policy. From 2001 the formation of a new governing coalition in the Basque Country forced the redistribution of competences among the parties of the coalition leading to a reconfiguration of the way in which the Basque administration understands international co-operation for development.

Finally, in the conclusions I will try to offer a broader interpretation of the most relevant questions addressed throughout these sections.

II 1985-1990: The initial steps. NGOs mobilization and regional administration's response.

From 1985 until 1990 it can be said that NGOs managed to control, not only the policy implementation, but also the process of policy definition. The 1988 campaign had a strong impact on regional institutions as it aimed to change what could be perceived as an act of institutional charity, into a real policy²⁴³.

As has been stated elsewhere, the extraordinary input of NGOs into the decision-making process was the result of a unique combination of specific mobilization strategies with a favorable opportunity structure. NGOs managed to raise the debate on international development into political arenas which were traditionally exempt from those questions.

In the following sections we will try to explain how the Basque international aid system during this period is mainly the result of the response of the Basque administration to social mobilization. This response was mediated by Basque Administration's concern on the importance of enhancing the relations with the *Basque Diaspora* and the main effects that engaging in decentralized aid might have had for the center-periphery relations within the Spanish state

II.1 The solidarity movement and international co-operation policy before 1988.

Organizations concerned with international development issues had been working in Spain, and also in the Basque Country, long before Basque international aid programs crystallised²⁴⁴. Following the description by Ibarra et. al., solidarity movements emerged in the context of the democratic opposition in francoist Spain and were linked to left-wing forces. All throughout the seventies and early eighties, solidarity committees sprung up in Spain. These committees were mainly constituted by left-leaning political groups, which

²⁴³ Basque administration allocated ten million ptas, (aprox. 60.000 euro) to development aid initiatives from 1985 to 1988.

²⁴⁴ For a description of the solidarity movements in the Basque Country and Catalonia from a comparative perspective from the beginning of the 80s see: Gomá, R., R. González, S. Martí, LL. Peláez, M. Truño, P. Ibarra M.J. Monteserín and A. Blas: 'Participation, Public policies and Democracy: International Solidarity and Anti-militarism in the Basque Country and Catalonia' in Pedro Ibarra (ed) 2003: '*Social Movements and Democracy*' New York: Palgrave-McMillan pp. 177-183.

supported revolutionary processes in Central America, specially the Sandinist revolution in Nicaragua.

On top of that, a number of organizations, intrinsically connected to the Spanish Church, had been developing solidarity activities mainly focused on co-operation activities with Latin America. Up to 1961, most of the activities were channelled through the *misiones diocesanas* and *caritas diocesanas* which, especially in the Basque country, inherited a long standing tradition of missionary activities²⁴⁵. From 1961 onwards, the overhaul of the structures of the Church brought about the decline of the missionary enterprise²⁴⁶. A number of newly-created solidarity organizations, connected to the Church, but in many cases not belonging to the dioceses, emerged. Some of these organizations arose from left wing sectors of the Catholic Church and the Liberation Theology²⁴⁷.

According to Ibarra et al., before 1981 the record of activities of the solidarity associations in Spain shows a number of scattered initiatives. These activities lay half-way between political mobilization and protest in the context of post-transition Spain and proper solidarity activities with less developed countries. Campaigns to increase public awareness and denounce human rights violations were combined with brigadiers expeditions to countries in Central America. Concerns about the problems of economic development were

²⁴⁵ An important flow of religious exchanges between the Basque provinces and Latin America have taken place since the very beginning of the colonial enterprise in the XVI century, up to the 60's of the twentieth century. Basque missionaries have developed at different points in time a relevant role in the evangelization of indigenous populations but also in the provision of social services such as education and health care, mostly in areas where the State administration was not able to develop these activities. The impact of Basque missionaries was specially intense during the XIX and the first half of the XXth century, once the Spanish colonies in America turned into liberal republics.

²⁴⁶ For a summary of the rise and decline of *misiones diocesanas* in the sixties see: Oscar Álvarez Gila 1998: '*Misiones y misioneros vascos en Hispanoamérica (1820-1960)*' Bilbao: Labayru Ikastegia pp. 88-95.

²⁴⁷ Some of the organizations arising in the context of re-definition of the social and charitable activities of the Church were very relevant in the process of demand structuring in 1985. The *Memoria de la Cooperación Vasca* mentions the following organizations: Justicia y Paz was established by the Spanish Episcopal Conference in the sixties. Caritas Diocesanas has a longer pedigree. It was established in the early fifties in order to channel the charity of the Spanish Catholic Church. This organization has evolved from being almost exclusively concerned with poverty in Spain, to international co-operation activities. Manos Unidas was established in Euskadi in 1960 and defines itself as an independent religious organization connected to the Catholic church. See '*Memoria 1988-1997 Cooperación pública Vasca. Ayudas al tercer Mundo*'. Vitoria-Gasteiz: Servicio Central de publicaciones del Gobierno Vasco. p. 22. Paz y Tercer Mundo (*Hirugarren Mundua ta Bakea*), established in 1988, is an interesting example of an independent organization set up by people arising from the labor movements, pacifist movements and the *comunidades cristianas de base*, which represent a left-leaning socially oriented sector of the Catholics.

somehow played down by the political conditions in which these activities took place (i.e. post-transition Spain and the framework of social revolutions in Latin America)²⁴⁸.

In 1981 the first nation-wide mobilization of DNGOs to push the Spanish government to allocate 0,7% of the GDP to assist development took place. The campaign had a very little impact on the public opinion. As Koldo Unceta states '[...] in these years, the debate on international co-operation was confined to limited sector of the civil society'²⁴⁹. Yet, as Ibarra et al. has pointed out 'the 0,7 campaign had consequences within the very network of organizations'²⁵⁰. In 1982 the Coordinator of DNGOs was established. The Coordinator enhanced the capacity of DNGOs to pressurise institutions, thus introducing the problem of poverty and international development in the political agenda. As a result, in 1982 Spanish DNGOs undersigned an agreement with the political parties with parliamentary representation by which the latter compromised in order to fulfil U.N. 0,7% objective.

Nevertheless, despite the increasing activities of DNGOs and solidarity committees during the early eighties the possibilities for having a real impact on the attitude of the Spanish government towards international cooperation were very limited²⁵¹.

By 1981 Spain was still considered by the IMF a middle income developing country, whereas for the Development Assistance Committee Spain was a potential aid recipient up to 1985. As a consequence the development of a system of international co-operation in Spain is a relatively recent phenomenon. The first International co-operation plan dates from 1985 and runs parallel to the creation of the Secretariat for International co-operation and cooperation with Latin America (SECIPI).

Observers had noted how up to the 1990's the functioning system was rather erratic. It lacked an overarching legal framework and most of the time it operated on an ad-hoc

²⁴⁸ See Gomá, R., R. González, S.Martí, LL. Peláez, M.Truño, P.Ibarra M.J. Monteserín and A. Blas: 'Participation, Public policies and Democracy: International Solidarity and Anti-militarism in the Basque Country and Catalonia' (*op. cit.*) p. 177

²⁴⁹ See Koldo Unceta Satrustegui: 'La cooperación para el desarrollo: España y el 0,7%' *Iglesia Viva*. No. 184-185 July-October 1996 p.326.

²⁵⁰ See Gomá, R., R. González, S.Martí, LL. Peláez, M.Truño, P.Ibarra M.J. Monteserín and A. Blas: 'Participation, Public policies and Democracy: International Solidarity and Anti-militarism in the Basque Country and Catalonia' (*op. cit.*) p. 178

²⁵¹ In 1984, in the context of Ethiopia famines, DNGOs raised an aggressive campaign claiming for a substantial increase of Spanish international co-operation.

basis²⁵². By 1983 the ratio ODA/GNP in Spain amounted to the 0.04%, whereas six years later, by 1989 it has not gone beyond the frontier of the 0,1%²⁵³.

Despite the compromise of the Socialist Party, in office since 1982, changing the international co-operation system, as it had been devised during UCD's period in office (1977-1982), was not an easy task. Spain's international relations had been almost completely re-built after the collapse of Franco's regime. The new international agenda included, not only a new approach to America and the Mediterranean, but also the accession to the EEC and a compelling security agenda structured alongside the problem of the relationship with the United States and the accession to NATO²⁵⁴.

The combination of policy priorities had ambiguous effects in the development of an international co-operation system. On the one hand, the security agenda compromised the possibilities for an expansion of cooperative schemes with certain states in Latin America or the Mediterranean. Co-operation with Cuba or Nicaragua, compromised the relationship with the United States and the scheme for a new international security policy. On top of that, as Celestino del Arenal has pointed out the economic crisis of the early eighties and the restrictive economic policy schemes implemented by the socialist governments, cut-down the international co-operation budget, which was, by then, already very limited²⁵⁵.

On the other hand, the emphasis put by the socialist government in re-establishing normal political and diplomatic relations with Latin America during the eighties facilitated the constitution of a proper international co-operation system. Following Celestino del Arenal, the constitution of the SECIFI settled the institutional framework for enhancing the relationships with Latin America, providing the institutional framework for the establishment of the first international co-operation programs²⁵⁶. On top of that, the process of accession to the EEC pushed the constitution of a system of international co-operation

²⁵² See Neil Huges 2000: '*The Spanish International Development Co-operation Law: A step in the right direction or the consolidation of an inadequate model*'. European Development Policy Study Group Discussion Papers No. 13. Development Studies Association, Manchester Metropolitan University p.2.

²⁵³ See Mariano Aguirre and Francisco Rey: 'Development Co-operation and Humanitarian Action in Spanish Foreign Policy' in Richard Gillespie and Richard Youngs (eds) 2001: '*Spain: The European and International Challenges*' London: Frank Cass p. 197.

²⁵⁴ See Javier Tusell, Juan Avilés and Rosa Pardo (eds) 2000: '*La política exterior de España en el siglo XX*' Madrid: Biblioteca Nueva pp. 413-547

²⁵⁵ Celestino del Arenal: 'La política exterior de España' in Ramón Cotarelo (ed.)1992: '*Transición y consolidación democrática. España (1975-1986)*' Madrid: Centro de Investigaciones Sociológicas p. 427

²⁵⁶ Celestino del Arenal: 'La política exterior de España' (*op. cit.*) p.425

that could take part in broader international agreements and institutions (such as the OECD/DAC committee or the various international cooperation policy schemes of the EEC) higher in the political agenda²⁵⁷.

Movements and DNGOs profited from the saliency of certain issues on the international political agenda, mainly ECC and NATO accessions and pushed for further reform of the international co-operation policy. As it has been put by one informant, '*the campaign against Spanish permanence in NATO triggered a process of political mobilization from different left-leaning organizations. Pacifist movements, solidarity committees with Latin America and left wing groups actively campaigned for the 'NO' in an unprecedented spring of social mobilization regarding international issues*'²⁵⁸.

Movements profited from the increasing saliency of the international agenda in Spanish politics and media²⁵⁹. The accession to EEC before 1985 and the NATO referendum had brought to the front of the political debate the normalization of Spain's foreign policy. Furthermore NGOs' initiatives, such as the North-South Conference organized in 1986, emphasized the necessity of normalizing the situation of international co-operation with the third world.

During this period NGOs introduced into the Spanish media the 0,7% of GNP objective put forward by U.N. in the seventies. They also insisted on the necessity of normalizing the expenditure on international co-operation at the expense of military expenditure and

²⁵⁷ Celestino del Arenal: 'La política exterior de España' (*op. cit.*) pp. 426-428

²⁵⁸ Interview with Iñaki Markiegui ONG Paz y Tercer Mundo. Conducted on the 17th March 2003. The literature pointed to the Spanish accession to NATO as one of the most controversial issues of Spanish foreign policy since the advent of democracy. See Anthony Gooch: 'A surrealistic referendum: Spain and NATO' *Government and Opposition* Vol. 21 No. 3 Summer 1986 pp. 300-31; Inocencio Félix Arias: 'Spanish Media and the two NATO campaigns' in Federico G. Gil and Joseph S. Tulchin (eds) 1988: '*Spain's entry into NATO: conflicting political and Strategic Perspectives*' London: Lynne Rienner Publishers pp. 29-4; Michael P. Marks 1997: '*The formation of European Policy in post-Franco Spain*' Aldershot: Avebury Ashgate publ. pp.43-76.; Florentino Portero: 'La política de seguridad 1975-1988' in Javier Tusell, Juan Avilés and Rosa Pardo (eds) 2000: '*La política exterior de España en el siglo XX*' (*op. cit.*) pp. 480-499; Ricardo Martín de la Guardia y Guillermo A. Pérez Sánchez: 'Opinión pública y medios de comunicación' in Juan Carlos Pereira (ed) 2003: '*La política exterior de España (1800-2003)*' Madrid: Ariel. pp. 166-167.

²⁵⁹ Beside the debate on both accession to NATO and to the EEC, mass media in Spain begin to devote special attention to the problems of underdevelopment. The newspaper El País issued on 29th July 1986 a paper on international co-operation and the new economic order. The initiative was undertaken by a number of newspapers all over the world and was entitled *Un solo mundo. Suplemento mundial para un Nuevo orden económico internacional* (On world: International paper for a New International Economic Order) See El País 29th July 1986.

diminishing the returns of Spanish aid, which up to that moment had been structured along the so-called FAD credits.

However, despite some small victories, the growth of the solidarity movement didn't have a substantial impact in the configuration of the system of international co-operation in Spain. Between 1985 and 1988 Spanish co-operation policy didn't experience any major change, either at an institutional level or in the amount of resources allocated²⁶⁰.

In 1988, profiting from an initiative of the Council of Europe, a new campaign was launched²⁶¹. The objective was twofold. First, it aimed to force institutions to enhance the Spanish international co-operation record. Second, make constituencies further aware of the necessity of a major change in the Government's approach to development. Learning from the experience of past years DNGOs embraced and overarching strategy that targeted not only national level administration, but also the regional and the local levels.

As has been said before, the mobilization in the Basque country was especially relevant in terms of both intensity and impact. A group of eleven NGOs, laic and religious, managed to mobilize regional constituencies so as to force the engagement of regional, provincial and local institution's in international co-operation schemes. The next section explores the 1988 campaign, focusing on NGOs' strategies and discourses in the Basque Country.

II.2 Establishing the preconditions for the policy: NGOs mobilization and the perception of underdevelopment in the Basque Country.

As has been pointed out in the specialized literature on social movements, one of the main features of DNGOs and solidarity movements is that '*solidarity is not only a form of collective action, but also the scope of process of mobilization*'²⁶². Solidarity movements tend to act in the name of other collectivities. The process is one of discursive identification rather than one of political intermediation. The narratives of DNGOs and solidarity

²⁶⁰ Pedro Ibarra et al. highlight the impact of the solidarity movement upon Catalan institutions. Similarly in the Basque country, as we have already seen, mobilization of religious organizations in 1985 was echoed by regional institutions. See Gomá, R., R. González, S. Martí, LL. Peláez, M. Truño, P. Ibarra M.J. Monteserín and A. Blas: 'Participation, Public policies and Democracy: International Solidarity and Anti-militarism in the Basque Country and Catalonia' (*op. cit.*) p. 177.

²⁶¹ Council of Europe: European Campaign on Interdependence and North South Solidarity.

²⁶² See Pedro Ibarra: Los movimientos por la solidaridad; ¿Un nuevo modelo de acción colectiva? *Revista Española de investigaciones sociológicas* No. 88 Octubre-Diciembre 1999. p.235.

movements offer a new vision of the world in which those '*other collectivities*' gain visibility thanks to a major change in the value of solidarity. As a matter of fact, the very success of the movement itself relies partially on its ability to portray the necessities of '*the other*' as if they were part of a broader notion of justice, which also includes the problem of redistribution of resources within the addressed community.

In the case of NGOs' mobilization in the Basque Country in 1988 in favour of solidarity towards the Third World, the problem of identification structured very much the strategy of NGOs' when approaching sub-state institutions.

According to the documents analysed, for the NGOs the main cause of the persistence of underdevelopment was that societies in the north have not internalised the problems derived from the uneven distribution of economic resources. Thus, a change in the way underdevelopment was perceived was needed since these problems would never be resolved unless they started to exist in the collective consciousness of 'northern societies'.²⁶³

The main aim of the NGOs' campaigning activities in these years was to translate development aid into a societal enterprise. Development aid policies should be freed from the monopoly of the state agencies, leaving room for other societal actors and institutional layers to cooperate with the third world. In other words, the main idea was '*to engage the civil society in development issues, as well as all the institutions at different layers in order to make development aid policies both more visible and closer to the citizenry*'.²⁶⁴

The strategy of NGOs at this stage was one of raising consciousnesses. The needs of the represented collectivities (underdeveloped countries) are portrayed as having a social dimension as opposed to an institutional one. The problem of underdevelopment is constructed through the notion of invisibility. Opaque institutions isolate wealthy societies from the consequences of underdevelopment. To a certain extent, northern societies are represented as if they were deprived of a natural sense of responsibility towards 'the other' by the blinding activities of obscure institutions and agencies. Thus, devolving solidarity to

²⁶³ See Organizaciones No Gubernamentales 1988: '*Norte y Sur: Un futuro común*'; Amado, Bilbao.

²⁶⁴ Interview with Andrés Basauri, former director of the Coordinadora de ONGDS de Euskadi. Conducted on the 24th of March 2003.

the civil society would foster the development of a new moral vision on the problem of economic resources' redistribution.

Pedro Ibarra et al. claimed that the solidarity movement in the Basque country had a '*great impact through its discourses, where it has made adequate use of pre-existing cognitive frames and has created new frames, enjoying a relatively good coverage from the media [...] The movement has not only constructed a coherent and credible discourse frame but has managed in a certain way to insert that frame within the dominant system of beliefs*'²⁶⁵.

Basque NGOs managed to build up a convincing case on the origins of underdevelopment and inequality, so as to forge a moral compromise from which regional and local institutions could not remain apart. The new moral compromise was rooted on a clear conceptualisation of the problems of underdevelopment and an efficient use of the institutional and non-institutional opportunity structure. We will now examine this process in more detail.

II.2.1 Identifying the problem.

Organizations in the Basque Country claimed that in order to resolve the problems in the distribution of economic resources a main change in the way development problems were perceived was needed. For them, these problems would never be resolved unless they started to exist in the collective consciousness of 'northern societies'.

For NGOs the main cause of the persistence of underdevelopment was that societies in the north have not internalised the problems derived from the uneven distribution of economic resources. The origins of the inability of northern societies to internalise these problems are to be found in their ethnocentric self-perception and representation of the world²⁶⁶.

This tendency is sophisticatedly illustrated in a leaflet that compares two different ways of representing the world²⁶⁷. The first representation tends to place Europe in the centre and the size of the so called 'first world' tends to be at least equal to that of the areas belonging

²⁶⁵ See Gomá, R., R. González, S. Martí, LL. Peláez, M. Truño, P. Ibarra M.J. Monteserín and A. Blas: 'Participation, Public policies and Democracy: International Solidarity and Anti-militarism in the Basque Country and Catalonia' (*op.cit.*). pp. 181-182

²⁶⁶ See Organizaciones No Gubernamentales 1988: '*Norte y Sur: Un futuro común*' (*op. cit.*)

²⁶⁷ See Annex I: Picture I: Underdevelopment. Two representations of the world

to the second and third worlds together. The second map, through the use of a more accurate scalar representation technique, shows how the underdeveloped areas of the world share a bigger proportion of the territorial surface of the globe. Thus, it shows the real geographical dimension of underdevelopment. Moreover, Europe is no longer in the centre of the world. The second map thus abandons the euro centric view of the world.

The message put forward by the abovementioned leaflet could be summed up as follows. *'Territorial representations are the expression of the mindset of a given society. Therefore, no real solution for the problems of poverty and unequal distribution of resources will be attained unless the mindsets are changed in the societies that control the vast majority of economic resources'*²⁶⁸. Northern societies must be warned of the dangers of the euro-centric view of the world.

To NGOs, the first cause of underdevelopment was the fact that this goes unnoticed in developed societies. The creation of new consciousness towards underdeveloped countries in 'northern societies' constitutes a precondition for effective redistribution of economic resources.

The second problem, according to NGOs, was to identify the main reason behind the fact that a large portion of the world's population lives in such conditions of poverty and deprivation. For the NGOs the problem was about distribution, not about scarcity of resources. Following different International organisations' reports, NGOs claimed that the amount of resources available were enough to maintain the whole world population. However, they claim that these resources are unevenly distributed. This claim is represented as follows in one of the NGOs leaflets²⁶⁹.

The upper part of the figure depicts a fat man dressed-up in a nineteenth century style tuxedo, eating a big cake, drinking champagne and smoking a cigar. The lower part represents a number of people from different countries sitting around a small slice of the same cake. They are all dressed in shabby clothes but they appear content. The picture is

²⁶⁸ See Organizaciones No Gubernamentales 1988: *'Norte y Sur: Un futuro común'* (op. cit.)

²⁶⁹ See Annex I: Picture 2: Representing the uneven distribution of economic resources.

completed with the following statement: *'the richest 30% of the world's population shares 75% of the global food production, while the poorest 70% shares the remaining 25%'*²⁷⁰.

This way of representing the problem is quite effective. Firstly, the symbolic representations of the richer 30% and the poorer 70% are chosen as to give a clear cut picture. On the one hand, the traditional image of the nineteenth century capitalist introduces the idea of the lack of both compassion for and solidarity with the developing world existing in developed societies. At the same time, it introduces a very satirical image of capitalism to ensure that no representative of the developed societies would identify with it²⁷¹. This image clearly introduces the idea that it is the greed of 'northern societies' which explains the uneven distribution of resources. The way in which the image is composed with a person sitting down with a large portion of a cake in between his legs, clasping the fork, smoking a cigar, while drinking two bottles of champagne, is clearly meant to face the addressee with their own sins. At the same time, the satirical character of the whole picture makes the criticism easy to bare.

On the other hand, the subtle representation of poverty is used to show the seriousness of the problem without shocking the viewer with drastic images²⁷². The combination of figures used to represent poverty (mostly kids) stresses the injustice that underdeveloped countries are forced to bare. At the same time, the picture uses iconographic representations of certain underdeveloped nations, such as Mexico or Peru, which can be easily identified by the viewer.

The aim of this image is to trigger a double process of self-identification and detachment. The process of identification corresponds to the lower part of the picture, where symbols are used in order to familiarise the viewer with the problem of poverty. The process of detachment corresponds to the upper part of the picture where the symbols are used to show

²⁷⁰ Organizaciones No- Gubernamentales 1988: (*op. cit.*)

²⁷¹ Note that these documents were distributed in schools, seminars, universities etc. therefore, they were destined mainly to a non-institutional public. The degree of message sophistication is counterbalanced by the effectiveness of the means utilized to represent the problem of redistribution.

²⁷² Analysing Basque NGOs' mobilization strategies Pedro Ibarra et al. have claimed that NGOs managed to present their case using a pragmatic style based more on persuasion than on confrontation. The use of the above described kind of symbolic devices to represent underdevelopment can be understood in line with this non-confrontational strategy. See Gomá, R., R. González, S.Martí, LL. Peláez, M.Truño, P.Ibarra M.J. Monteserin and A. Blas: 'Participation, Public policies and Democracy: International Solidarity and Anti-militarism in the Basque Country and Catalonia' (*op. cit.*) p.182.

a satiric representation of the greed of 'northern societies'. At the same time, information about the uneven redistribution of resources is presented in a very clear way. Thus, the viewer, when facing the picture, is supposed to internalise that bit of information, as well as to have a clear cut picture of the north-south divide.

To sum up, we can say that for NGOs the problems of underdevelopment were the result of two main elements. First, the invisibility of the third world and second, the uneven distribution of resources as a result of northern societies greed. These two elements operate as preconditions for underdevelopment to persist. However, nothing, or very little, has been said about the main mechanisms through which these two preconditions operate.

II.2.2 The mechanisms of underdevelopment: Dependency and the problem of military expenditure.

The paragraphs above indicated that the NGOs identified 'greed' as the main cause for the uneven distribution of resources. However, very little has been said about the origins of northern societies 'greediness'. A clear response to that question is provided in a pamphlet from 1989²⁷³.

In this pamphlet both the dependency structure created by the world trade system and the military expenditure at a global level are blamed of drying-out resources that could be used to alleviate the situation of many people in the 'third world'. This is clearly stated in a figure which represents the equivalence of the expenditure on tanks, destroyers and fighters in schools, hospitals and electricity provision²⁷⁴.

For NGOs, the scope of the military expenditure in developed countries has its origins in the bi-polar confrontation that dominated international relations from 1945 to 1989. In the Spanish case, this argument is illustrated in the figure presented above in the following manner: *'In 1982 Spain's military expenditure represented the 44% of the total state expenditure. This represents five times the investment on transportation infrastructures,*

²⁷³ See Campaña 0,7% ¡tienen derecho!.

²⁷⁴ See Annex I: Picture 3: Military expenditure and underdevelopment

*three hundred and seventy seven times the investment in environmental protection and thirty times the investment in culture*²⁷⁵.

At the same time, NGOs argued that *'this degree of military expenditure represents a heavy burden for the developing countries for several reasons. First, because they have been the theatre of the vast majority of the east-west confrontations. Second, because it represents a drain of both human and economic resources. Third, because it shapes the contours of the economic policy in the third world countries. Finally, because it prevents the establishment of both deep cooperation relationships and a new international economic order'*²⁷⁶.

The second mechanism identified by NGOs is the situation of economic dependency suffered by third world countries. The case against economic dependency is summed up as follows, *'the problem is not the existence of rich and poor nations, but that poor nations support the rich nations'*²⁷⁷.

In this context the dependency mechanism is claimed to operate in two different ways. First, through aid conditionality. Aid is supposed to benefit the donor countries since it impose heavy burdens on the recipient countries, therefore creating a situation of dependence. This argument is illustrated on the lower-left part of picture four²⁷⁸. Again the same symbolic representations of the northern capitalist is used. Again the effect on the audience, is supposed to be a twofold feeling of identification and detachment. However, the way in which the Third World is represented is different with regard to other pamphlets and documents. In this document the Third World is represented by a black figure stumbling under the weight of both aid and the debt. The use of a black figure could also represent the black peoples of Sub-Saharan Africa, an image that has traditionally used to represent extreme poverty.

Second, the economic specialisation of the Third World countries reinforces this situation of dependency. Actually, Third world countries are specialised in the production of raw materials. However, the international market for raw materials is quite unstable. Demand fluctuates dramatically for certain products, while the third world countries cannot diversify

²⁷⁵ See Organizaciones No Gubernamentales 1988: *'Norte y Sur: Un futuro común'* (op.cit.)

²⁷⁶ *Idem.*

²⁷⁷ See Annex I: picture 4: Dependency and underdevelopment

²⁷⁸ See Annex I: picture 4: Dependency and underdevelopment.

their production. Therefore, they are completely dependent on the fluctuations of the international markets. Finally, NGOs argue that northern societies need to control the prices of the raw materials since their economies are still heavily dependant on them (mostly energy related imports such as coal or petroleum). The system is unfair since the developed states control the decisional forums where decisions pertaining to raw materials markets are taken. This vicious circle is identified by the NGOs as the *logic of developmentalism*²⁷⁹.

Thus, NGOs present the following proposals in order to change this pattern of developmentalism:

- First, to reduce the military expenditure both in the developed and underdeveloped countries. This would lead to more peaceful relations between the two blocs and therefore to new opportunities for cooperation.
- Second, to redefine the international trade system by:
 - Establishing of an international system of prices for raw materials
 - Increasing of the number of export licenses
 - Expanding of the industrial sector in the South
 - Improving the access of third world countries to international markets.
 - Reforming of the international markets and global networks for products distribution.

II.2.3 A new development paradigm? What can regions and municipalities do to face the problem of underdevelopment?

For the NGOs the agenda was clear. As we have seen in the previous sections turning development into a social question far beyond the control of political institutions was a precondition for finding a solution to the problems of poverty and economic underdevelopment. If the task was to engage civil society in the development debate, or make economic development of the south a social question in the North, then all institutional levels should be engaged. In fact as one NGOs' document puts it '*Institutions*

²⁷⁹ See Organizaciones No Gubernamentales 1988: '*Norte y Sur: Un futuro común*' (*op.cit.*)

*must be exemplar vis-à-vis society*²⁸⁰. Institutions, therefore, must be the *avant garde* of societal involvement in development issues.

This argument is even more relevant at the regional and the municipal level. Those levels are supposed to operate closer to the citizenry, therefore they are supposed to have much more influence on citizens' behaviour, while at the same time they are more open to citizens' demands. Thus, the regional level is an especially sensitive case for the NGOs' strategy²⁸¹.

However, this strategy was not as straightforward as it might seem from the analysis of the documents. As many informants stressed in the interviews there was a sort of *'ingeniousness or naivety in the way NGOs managed this agenda'*²⁸². In fact as Andrés Basauri puts it, *'we were really willing to do things, it didn't really matter how or with whom'*²⁸³.

Actually, an argument can be put forward that the NGOs' strategy towards the subnational levels was partially determined by the response of other institutional addressees. In most of the NGOs' documents analysed, there is a clear sense of failure of the strategies developed at the national level. As we have seen before, the first national-level failure occurred in 1982. Political parties with representation at the national parliament and NGOs undersigned a political compromise which included the following points²⁸⁴:

- To attain gradually the U.N. target of 0,7% of the GNP in terms of public aid to the underdeveloped countries, according to the U.N. resolutions.
- To increase significantly the amount of funds devoted to development aid in the 1983 National Budgetary Act.
- To approve, during the next parliamentary term, the International Cooperation Law.

²⁸⁰ See Organizaciones No Gubernamentales 1988: *'Norte y Sur: Un futuro común'* (op. cit.)

²⁸¹ See Coordinadora de ONGDS de Euskadi 1993: *'Los municipios vascos con el Tercer Mundo. Campaña de las organizaciones no gubernamentales vascas para la cooperación al desarrollo'* pp. 6-7

²⁸² Interview with Andrés Basauri, (cited)

²⁸³ *Idem.*

²⁸⁴ Agreement between NGOs and political parties Madrid 14th of October 1982. Reproduced in: Coordinadora de ONGDS de Euskadi 1988: *'Dossier presented before the Diputación Foral de Alava'* 11th of November.

This agreement has been described, by the NGOs, in the following terms: '*...as we know paper will accept anything and nothing can make it blush*'²⁸⁵.

The second national-level failure happened in 1984, when due to the dramatic situation in Ethiopia, NGOs developed an aggressive campaign, again claiming increases in the development aid rates. As is stated in the document *Norte y Sur: un futuro común*, '*the negative reaction of the Spanish government to the 1984 campaign made us rethink our strategy*'²⁸⁶. Later on, they add that '*...even though the Spanish government has signed a political compromise, positive action from an Autonomous Community would be exemplary for other autonomous governments and would help initiate the path towards a greater level of public political compromise with the less favoured peoples of the world*'²⁸⁷.

The use of the rhetoric of decentralisation can only be understood in the context of the small policy impact of mobilization at national level. The aim of engaging civil society, expressed by the NGOs in all the documents does not preclude binding specific institutional layers. In other words, although all the institutional layers could be engaged in aid policies the NGOs' project was specifically aimed at the civil society. This made regional institutions an attractive partner but not a necessary one in the mindset of NGOs. At the end of the day, the demands put forward by the NGOs were clearly meant to attain a moral compromise that would be binding for society as a whole as opposed to a political compromise only relevant at the institutional level²⁸⁸.

This search for the moral compromise turned out to be an efficient strategy since it provided NGOs with a special allure of legitimacy vis-à-vis both the citizenry and the administration. First, citizenry perceived NGOs as the *portaparola* of the third world. Their campaigns were structured along mottos such as: '*We are sure that anybody who has a minimal sense of justice and solidarity would support this campaign*'²⁸⁹; or, '*There is a*

²⁸⁵ *Idem*.

²⁸⁶ See Organizaciones No Gubernamentales 1988: '*Norte y Sur: Un futuro común*' (op. cit.)

²⁸⁷ *Idem*.

²⁸⁸ This emerges clearly from the interviews with members of NGOs in the Basque Country. All of them stressed the idea that the main objective of the different mobilisations was to force a moral compromise. Therefore, single institutional layers were not targeted since the compromise was aiming at binding the whole society. Interview with Alfonso Dubois UPV/EHU and HEGOA Conducted on 10th of March 2003; Interview with Iñaki Markiegui (cited); Interview with Belén Rodero ONG Caritas Diocesanas Conducted on the 20th of March 2003. Interview with Andrés Basauri (cited)

²⁸⁹ See Campaign 0,7% ¡tienen derecho!

*relationship between the material deprivation of the poorest people in this planet and the moral deprivation of those who are mutilated by egoism*²⁹⁰.

Second, those big appeals made NGOs appear as the pure incarnation of social justice and solidarity. This incarnation is pure as far as it had not been contaminated by politics which was perceived as impure or corrupted. The case for purity was reinforced through references to the promises broken by the politicians and the political parties. Furthermore, they evidenced the inherent corruption of a political-economic system that allows an important part of the world's population to die from starvation while resources are employed in the reinforcement of military structures. As it is read in the leaflet *0,7% ¡Tienen derecho!*, 'Very few countries comply [with the 0,7% objective]. However, all of them participate in the armament race'²⁹¹.

This legitimacy allure gained through appealing to the moral values of the citizens provides the NGOs with special weapons vis-à-vis the institutions. Moreover, in the case we are analysing, the fact that organisations linked to the Catholic Church in the Basque Country cooperated with the newly-created NGOs, which emerged from a leftist internationalist tradition made their accession to the institutions much easier²⁹².

The efficiency of the rhetoric strategy combined with their capacity to spread the word produced the incredible results of the 1988 campaign, when the Basque Coordinator of NGOs manage to put forward a petition, soliciting the 0,7% of the regional budget to be destined to development co-operation, undersigned by more than 50.000 people.

II.3 Demand structuring and the politics of Basque decentralized aid.

So far we have discussed the normative frame and the strategies pursued by local development NGOs in building up a case for decentralized aid in the Basque Country. NGOs managed to create a discourse very much in line with major elements of the

²⁹⁰ Pablo VI cited in the leaflet for the *Campaign 0,7% ¡tienen derecho!*

²⁹¹ *Idem.*

²⁹² Most of the informants have highlighted the important role played by religious NGOs in facilitating the channels of communication with the regional institutions. In many cases this is explained through the existence of personal contacts between civil servants and NGOs representatives. Other informants tend to stress the importance of the ideological commonalities among religious organisations and the PNV (Basque Nationalist Party). In both cases it is clear that religious organisations in the Basque country enjoyed a high degree of legitimacy that facilitated the communication between institutions and organisations.

dominant system of beliefs profiting from a well rooted structure of religious and left-wing organizations which facilitated access to the public and to the institutions. This has been a common feature in all the interviews analysed, which stressed the existence of personal contacts between leaders of religious organizations and regional and local politicians, which were facilitated by the existence of a shared catholic framework.

At the same time, the rapid constitution of a Co-ordinator of Basque NGOs ensured the construction of a single discourse which encompassed the ideas of catholic organizations and left wing organizations. The result was a pragmatic but nevertheless efficient moral case on the need for transforming development into a societal enterprise and the importance of regional institutions' participation.

The rhetoric strategy is very much influenced by the institutional opportunity structure in which demands were structured. First, declarations of international organizations such as the U.N.'s 0,7% target are used as major claims along which to structure NGOs particular demands. What is more, the Coordinator of NGOs managed early on to profit from the push of a specific campaign sponsored by the European Council in 1988 and bring it down to regional arena. Thus, international organizations serve as a source for rhetoric elements, as well as for material resources for mobilization and campaigning.

Basque NGOs defined their strategy in terms of the result of the failure of previous mobilizations at the national level. NGOs learnt from the experience of bargaining at the state level, but they also use this experience as a rhetorical device vis-à-vis regional and local institutions.

Figure 7: Demand Structuring in the Basque Country

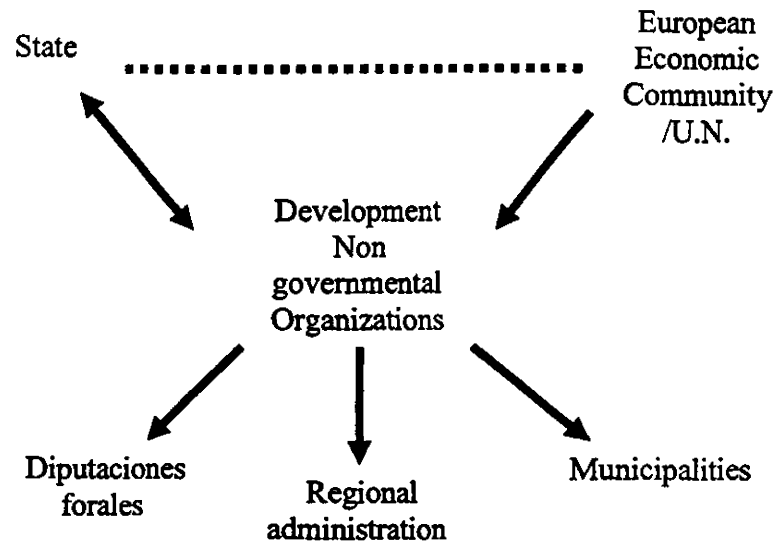


Figure 7 summarises the process of demand structuring: First, the single headed arrow defines a line of influence. As we have discussed before, NGOs echoed the discourses of European Institutions and other International Organizations. What is more, they profited from the European Institutions campaigns bringing to the regional and local level the international development agenda.

Second, the double headed arrow represents a line of confrontation. The negative experiences of DNGOs in previous bargaining process with the State determined their strategy in 1988. They used the State as a negative point of reference. The idea that the State was the locus of obscure politics reinforced their case for the necessity of further societal involvement in international co-operation. Finally the dotted line signal a weak connection between the Spanish State and International Organizations and the EEC. As we have said earlier, accession to the EEC forced Spanish State to establish an international co-operation system compatible with European co-operation policy. The process of adaptation to the European standards, since it affected the State's aid provision can be considered a precondition of the DNGOs-State conflictive line. Yet, it doesn't have a direct impact on the process of demands structuring.

NGOs took advantage of the impact of social mobilization for to put a convincing case vis-à-vis regional institutions. What is more, as it is shown in the figure, NGOs didn't limit the

range of their activities to the regional administration, but decided to include other institutional tiers, such as the *Diputaciones forales* (provincial administration) or the *Municipalities*.

The following sections explore the process of supply structuring for the period 1985-1989. Yet, it is important to bear in mind that in these years NGOs, due to the control over symbolic resources and the political agenda, were in a better-off position to control the institutional outcome.

II.4 Facing the challenge: Basque international co-operation 1985-1989

The Basque administration recognized the relevance of the challenge posed by the mobilization of NGOs in 1985 and 1988. Two different ways of structuring the political response by the administration can be identified. In 1985 the personal commitment of the Lehendakari (regional president), was enough to trigger the regional administration's disbursement in favour of the NGOs. Yet, in 1988, the regional administration was asked for something more than a charitable solution.

In 1988, the regional parliament approved a legal initiative which introduced an amendment in the regional budget in order to allocate 300 million ptas. (1.800.000 euro) for development assistance programs giving birth to the Basque Country's decentralised aid policy²⁹³.

The new program was ascribed to the Lehendakaritza (Regional Government) while the Commission on Human Rights at the Basque Regional Parliament would be responsible for evaluating the different projects presented by the NGOs²⁹⁴.

At the same time, the *Diputación foral de Alava* and a number of municipalities responded favourably to NGOs demands, giving way to a situation in which three autonomous international co-operation policies were established simultaneously. From 1988 to 1990, all three institutional tiers (i.e. region, provinces and municipalities) developed their own

²⁹³ With the support of the parliamentary groups of the Basque Socialist party (PSOE-PSE), the Basque Nationalist party (PNV) and Euskadiko Eskerra (EE)

²⁹⁴ See Jose Antonio Alonso 1998: '*Sistema vasco de cooperación al desarrollo: Diagnóstico y propuestas*'. Secretaría de General Acción Exterior del Gobierno Vasco. Dirección de Cooperación al Desarrollo p. 17. Secretaria de Acción Exterior del Gobierno Vasco 1997 p.23

programs in an autonomous way leading to a situation of institutional uncertainty and to a lack of coordination among donors.

The Basque regional administration's engagement in international aid programs, as well as local and provincial co-operation schemes, at this stage, had been interpreted as a response to social mobilization. Informants both in the administration and in local NGOs had reduced the role of the Basque administration so that it merely reacted vis-à-vis NGOs' demands. In the words of one informant, *'the Basque administration never controlled any kind of normative agenda. The role of institutions was merely reactive when faced with structured social demands'*²⁹⁵. What is more, according to a different informant the *'at the very beginning institutions were completely ignorant of the development agenda, as well as of the possibility of generating their own international aid programs'*²⁹⁶.

However, evidence extracted from documents at the regional level shows that the regional administration was not completely unaware of the pay-offs derived from engaging in international aid politics.

Basque international co-operation emerges in a context of progressive territorialization of politics. As we will see in the following sections, in the Basque Country this process of territorialization took a distinct shape. Democratisation and decentralization offered new political instruments to deepen the construction of the Basque nation. At the same time, uncertainty in the early phases of the construction of the *Estado de las Autonomías* offered interesting possibilities for expanding the limits of regional autonomy. Yet, both the precarious political equilibria in the nationalist front, which led to the constitution of a governing coalition which included non-nationalists forces and the leading role of Non Governmental Organizations in this period counteracted the possibility of Basque nationalists to fully impose their political agenda over the incipient international co-operation schemes.

As we will see later on, considerations about the incorporation of Basque emigration to the nation-building project were downplayed in the discourse underpinning Basque international aid, whereas, the problem of the limits of regional autonomy (specially

²⁹⁵ Interview with Igor Irigoyen General Director of International Cooperation at the Basque Government. Conducted on the 21st of March 2003.

²⁹⁶ Interview with Andrés Basauri (cited).

regarding the issue of region's projection abroad) would be more explicitly addressed in Basque foreign aid.

II.4.1. New politics, old issues: decentralization, nation-building and politics in the Basque Country 1980-1988.

The *Estado de las Autonomías* as defined by the Constitution of 1978 can be interpreted as the first attempt in Spanish constitutional and political history, to implement an ambitious project of generalized decentralization of political and administrative capacities.

In the context of new democratic rules, decentralization created a new territorial dimension for politics, the *Comunidad Autónoma*. Decentralization of Political autonomy and decisional capacities permitted the development, not only of a meso-level of administration, but first and foremost a meso-level of politics.

This is specially relevant for those regions which enjoyed since the very beginning a higher degree of political autonomy. The constitutional text foresaw the immediate concession of the highest degree of political autonomy to a number of historical territories, such as the Basque Country, Catalonia, Galicia and Navarre, due to specific characteristics of these territories. In the case of the Basque Country and Catalonia, the concession of a higher degree of political autonomy coincided with the re-structuring of the nationalist cleavage within the new politics of democracy, giving way to an unprecedented degree of territorialization of politics in these regions.

The problems derived from the institutionalisation of reforms and the tight agenda of economic restructuring at the national level were combined with old questions related to the recognition of Basque and Catalan nationalities, which had been severely repressed under Franco's dictatorship. This is especially relevant in the case of the Basque Country, where nationalist political elites embraced a diffident strategy towards the process of democratisation and the decentralization brought about by the constitution. Thus, polity construction in the Basque Country was a very intense process, since the early years of democracy leading to a set of clearly distinguishable dynamics in which the old cleavages were mobilized through the new instruments and opportunities provided by democracy and decentralization.

Eliseo Aja has pointed out that, since the advent of democracy the process of polity construction in the Basque Country can be subdivided into different stages. One stage would range from 1976-1986; the second from 1986-1998; The last period would expand from 1998 to 2005. According to Aja whereas the first and the third period are characterized by the radicalisation of nationalist discourse, the second phase witnessed the moderation of nationalists' claims²⁹⁷.

The period we are analysing in these sections, that is from 1985-1989 would fall in between two of Aja's major phases. Following Aja's description, the years before 1986 were characterized by a radical nationalist discourse, which considered that 'only nationalists were good Basques'. Regional media and television praised traditional cultural values and practices, whereas the Basque Nationalists Party (PNV), which controlled institutions from 1980 to 1986, attempted to merge their nationalist political message with the image of the new regional institutions.

The early years of Basque autonomy are defined by the relative absence of international activities by the Basque administration. These activities were mostly oriented towards the incorporation of the Basque *Diaspora* into the agenda of construction of the Basque polity²⁹⁸. In the mindset of Basque nationalist elites the *Diaspora* had kept alive the memory of Basque political autonomy and Basque culture and language, supporting the activities of Basque government in the exile during the dictatorship.

However, the intense process of nationalization of the polity was abruptly put to an end by divergences within the nationalist front. The PNV was divided on the issue of the distribution of power between institutions within the autonomous community, and more specifically between the *Diputaciones forales* and the Regional institutions. On the one hand, the so-called foralistas, which were structured along the political program put forward by head of the Basque Nationalist Party, Xabier Arzallus, defended the primacy of the Historical territories and the *Diputaciones forales*. On the other hand, the president of

²⁹⁷ See Eliseo Aja 2003: '*El Estado Autonómico: Federalismo y hechos diferenciales*' Madrid: Alianza Editorial pp. 295-296

²⁹⁸ See Perez de Armiño, Karlos and Irantzu Mendia: '*Las comunidades autónomas españolas y América Latina: Una nueva dimensión de la conexión iberoamericana. El país vasco.*' Unpublished paper. p.13.

the regional government, Carlos Garaikoetxea, claimed the supremacy of Regional institutions.

As a result of the crisis between the foralistas within ruling structures of the Party, and the president of the Regional government, which according to Aja reflected a deeper ideological confrontation among the two leaders, Garaikoetxea resigned and founded a new party Eusko Alkartasuna (EA), which gained many of PNV supporters in the elections of 1986.

The division in the nationalist front benefited the Partido Socialista de Euskadi PSE, (Socialist Party) which won the elections and configured a government coalition with the Basque Nationalist Party, giving way to the second phase of construction of the polity. At this stage the presence of a non-nationalist force in office watered down the conflictive relations between nationalist and non-nationalists, as well as the tone of the political discourse of the Basque Nationalist Party.

Furthermore, the ongoing process of institutionalisation of the *Estado de las Autonomías* added an extra dimension of uncertainty to the process of territorialization of politics, and the way in which old issues could be framed within the new politics of democracy. Despite the exhaustive inclination of Title V of the Spanish Constitution, the formula for the distribution of functions between different tiers of government offered many questions, which required the interpretation of the Constitutional Court, leaving the limits of regional autonomy unclear.

A major issue in the debate surrounding the construction of the *Estado de las Autonomías*, regarded the capacity of substate units to go abroad. Elements of this debate had been introduced during the constitutional debate, yet the final formula adopted in the constitution reserved foreign policy to the State. The constitutional Court initially, protected the exclusivity of State's capacities to command foreign policy. Yet, by 1989 it realized that the full development of much of region's capacities included a foreign projection element, which could not be curtailed in order to protect the State's exclusive faculties in the realm of foreign policy.

The next sections explore how these issues affected particularly the structuring of a regional response to the demands of NGOs in 1988, leading to a particular understanding of

the pay-offs of engaging in decentralized aid policy in the context of a highly politicized region building process. First, as we have said before the relations with the Diaspora had an important role in early attempts at the configuration of an international projection scheme from the part of the Basque regional administration. The window of opportunity opened by the mobilization of social actors recast the way in which the relations with the Diaspora were to be understood within the frame of the Basque incipient international co-operation schemes.

Second, we analyze the impact of the debate on the foreign projection of constituent units in the articulation of the international co-operation of the Basque Country for the period analyzed. As we will try to show, Basque authorities were well aware of the problems of accommodating a international co-operation policy within the restrictive framework of the *Estado de las Autonomías*. Yet, as an informant from the regional government puts it '*we wanted to push our autonomy as far as possible*'²⁹⁹. As we will try to demonstrate, the Basque government found the formula that allowed for engagement in International co-operation policies without being scrutinized by the Spanish government.

II.4.2 The 'Latin-American connection': The link of the Basque territories with Latin America and the origins of decentralized aid for development.

The relationship between the historical territories, which are part of the actual Autonomous Community of the Basque Country, and Latin America is a long standing feature in the politics, the sociology and the economy of the region.

The literature has stressed the existence of an intense flow of exchanges between Latin America and the Basque Country at least since the beginning of the sixteen century³⁰⁰.

²⁹⁹ Interview with José María Muñoa Scretariat of Foreign Affairs of the Basque Government conducted on the 5th of March 2003.

³⁰⁰ Basques participated actively in the colonization of the Americas, through direct involvement in the military campaigns, as well as in the administration and organization of the colonies. What is more, the participation of Basque ship-builders, sailors and merchants was fundamental for the realization of the colonial enterprise between 1492 and 1800 in a context of monopolistic trade practices between the Monarchy and the colonies.

The nineteen century witnessed major changes in the sociological structure of Basque emigration to Latin America. The independence of the colonies altered the patterns of emigration. America was not any longer perceived by Basque elites and merchants as the land of opportunities where one could build a political career in the colonial administration. America begun to attract different strata of the population such as peasants and

These exchanges are mainly structured along a remarkable flow of emigrants from the Basque territories towards the Americas.

Yet, the exchange between America and the Basque Country has also an important political dimension. From late nineteenth century up to the aftermath of the Spanish Civil War in 1939 Basque emigration (both religious and laic) was increasingly politicised.

This process is intense and complex. The last seventy years of the nineteenth century witnessed the outburst of two civil wars (Carlist Wars) which were especially felt in the Basque provinces. The defeat of Carlism forced many Basques into exile. The expansion of nationalism, which in many respects resumed the political claims of Carlism, permeated the structures of emigrant communities in Latin America. In this period we see the emergence of a Basque cultural movement among emigrants which resulted in the constitution of the first *Laurak Bat* and the blossoming of a number of publications that dealt with Basque culture and language. With the advent of the Spanish Civil War and the defeat of the Republican side, many Basques (including Basque institutions) emigrated to America, initiating the opposition to the Francoist regime. However, from the sixties onwards the Diaspora would play a minor political role in structuring Basque opposition against Franco.

lower urban classes, for whom America offered land, job opportunities and greater possibilities for upward social mobility.

Emigration from the rural areas to Latin America is explained as a combination of ecological problems of subsistence and a reaction against the process of modernization and the proletarianization of labour attached to it. Following William Douglas and Jon Bilbao, Azcona stresses that the role of *etxejoain* (or lord of the house) was a highly prestigious one whereas those living in the urban areas were referred to as the *kalekuak* (those living on the streets) or *herrikuak* (those who live in the village), terms that included pejorative connotations in the mentality of Basque rural culture. This resistance to urbanization and modernization, brought about by the industrialization of Basque economy, would explain why, when the population from these areas faced the problem of reproduction and sustainability of their traditional ways of life, in a geographical context that didn't allow for the constitution of new *Caseros*, they decided to emigrate to America where it was still possible to reproduce the traditional ways of living of the small owner community of the Basque countryside.

Yet, this explanation has to be taken cautiously for it is unclear the degree to which the system of patrimonial transmission was extended in Basque provinces. As it has been pointed out by Fernández de Pinedo within the province of Biscay different systems of land transmission applied, including the Castilian system that distributed equally the land among the heirs³⁰⁰. As he further explains, within the Basque provinces there was still an important number of emigrants that choose the incipient industrial areas as their final destination. See among others: José Manuel Azcona: 'La participación vasca en la empresa colonial y migratoria Americana (1492-1992)' in AAVV 1992 '*Historia general de la emigración española Iberoamérica vol. 2*' Madrid: Historia 16 pp.469-499; and Emiliano Fernández de Pinedo: 'Los movimientos migratorios vascos, en especial hacia América' in Nicolás Sánchez-Albornoz (ed.) 1988: '*Espanoles hacia América. La emigración en masa, 1880-1930*' Madrid: Alianza Editorial pp. 105-122; Javier Corcuera Atienza 1979: '*Orígenes, ideología y organización del nacionalismo vasco: 1876-1904*' Madrid: Siglo XXI p. 65

With the advent of democracy, the *Diaspora* was recalled into the politics of the Basque Country as a symbolic representation of the liberties lost in 1876.

The next sections will explore briefly the role that Basque *Diaspora* played in the constitution of the early system of international co-operation for development. The impact of the 'Latin-American connection' in the constitution of the early international co-operation policy is somehow paradoxical. In 1988, when the Basque government established the first international aid program, one would expect to find international co-operation defined as a instrument for deepening the symbolic role of the *Diaspora* in Basque politics. Yet, as the analysis of the evidence at hand shows, this was not exactly the case. Basque emigrant communities were included as an important element in the definition of the international co-operation policy of the Basque Country. Nonetheless, they were not the repositories of the sacred liberties lost in 1876, but represented a long lasting history of relationships between the Basque Country and Latin America that laid its roots far beyond the strict limits of the political construction of the *Diaspora* as a symbol. The role of Basque emigration to Latin America was de-consecrated.

My contention here is that in order to understand this phenomenon we have to bear in mind the important role played at this stage by NGOs, which retained the political initiative as well as most of the symbolic and material resources. In understanding the paradoxical role played by the 'Latin-American connection' in the definition of Foreign aid we will proceed as follows: First we analyse the process of construction of the *Diaspora* as a political subject. As I will try to show, the evolution from Basque emigration towards the notion Basque *Diaspora* is the result of a slow process of politicization of Basque emigration. This process started in the aftermath of the second Carlist War (1874), reaching its peak during the years of the Dictatorship when Basque emigrants were transformed in the repositories of the values of the Basque nation.

Second, we will analyse the incardination of the *Diaspora* in the framework of democratic politics in the Basque Country. We will show how in the aftermath of Franco's dictatorship the *Diaspora* was mobilized as an instrument in the construction of a diverse symbolic temporality, in which the Basque *Diaspora* incarnated both the liberties lost and an ongoing

process of political repression of the Basque nation since 1876³⁰¹. As a result the linkage with the Diaspora played a major role in the early attempts at structuring a foreign policy for the Basque government before 1986.

From 1988, demands from NGOs introduced a major change in the way the relations with the Diaspora were to be understood. Basque authorities, in the context of general restraint in the tones of the nationalist discourse, sought the establishment of a permanent linkage, not only with the emigrant communities but also with the countries hosting Basque emigrants, and thus leading to a different accommodation of the Diaspora within the discourse of institutions.

II.4.2.1. The construction of Basque Diaspora 1876-1960³⁰².

a. Excursus: revolutions and counterrevolutions, Spain 1808-1936.

Nineteenth century Spain witnessed the advent of the liberal revolution, as was the case for the rest of Europe's monarchies. 1808 witnessed the rise of the nation in arms against the French invader³⁰³. 1812 saw the birth of the first liberal constitution in Spain's constitutional history and one of the first in the European context. The three years between 1820-23 saw the first attempt at establishing a constitutional monarchy as a form of government. Throughout the century the political institutions of a more or less restricted liberal political system progressively gained political space beyond the limits of the collapsing *Ancien Régime*. In sum, political history of the liberal revolution in nineteenth century Spain does not differ from that of other European States.

³⁰¹ See Laura Desfor Eldes (1998): '*Symbol and ritual in the New Spain: The transition to democracy after Franco*' Cambridge: Cambridge University Press pp. 129-138.

³⁰² It should be noted that the analysis of the impact of the Diaspora in Basque politics during the years of transition and the early years of democracy (roughly 1975-1990) could be on its own the topic for a whole PhD dissertation. For this reason in the sections devoted to the analysis of the construction of the notion of Basque Diaspora and its impact on Basque politics of the early eighties I've relied mostly on secondary sources.

³⁰³ This is the interpretation of most traditional historiography. As José Álvarez Junco has pointed out, the popular upsurge of 1808 is basically an outbreak of xenophobic violence. At the same time the conflict is the direct result of a dynastic conflict and involved the most important foreign powers, who fought a pan-European war in the Iberian battlefield. Yet, liberals in 1808-1812, engaged in the construction of the new sovereign political body, mystified the conflict interpreting it as a "national independence war". See José Álvarez Junco: 'La nación en duda' in Juan Pan-Montojo (coord.) 1998: '*Más se perdió en Cuba: España, 1898 y la crisis de fin de siglo*' Madrid: Alianza Editorial pp. 426-427.

The nineteenth century was also the age of counterrevolution. Traditionalist forces aimed throughout the century to bring back the system of privileges of the *Ancien Régime*. Fernando VII, who ruled after the defeat of the Napoleonic forces, didn't implement the Spanish Constitution of 1812 after vowing to it, despite a short constitutional interlude between 1820 and 1823, re-installing in post 1808 Spain an old fashioned absolutist regime. What is more, two civil wars in 1833 and 1872 were fought by Carlists allied with other traditionalists forces against the liberal revolution (not to speak of the Civil War in 1936-1939). In the context of nineteenth century European monarchies this was not uncommon either.

The specific marker of Spanish political history for the nineteenth and the early twenty century is the implicit weakness of both revolutionary and counterrevolutionary movements and their incapacity to implement their political programs. The Traditionalists' world of privileges, moral archaisms, overlapping jurisdictions, economic disintegration and ruralization could not compete with the modern machinery of the liberal-rationalized-bureaucratized State, positivistic reformism and an integrated capitalist market. At the same time, the extremely weak implantation of the administrative structure of the liberal state (which was practically unable to develop any function other than the preservation of order) and the difficulties for the development of an integrated capitalist market economy in Spain kept alive the dream of traditionalists' Arcadia³⁰⁴.

This revolution vs. counterrevolution dialectic extends all throughout the nineteenth century and up to 1936, through a process of difficult accommodations and political exchanges, that more often than not resorted to (and were the result of) political violence, insurrections and warfare, which were seen as the only means of the resolving conflicts in a politico-institutional context that lacked the adequate institutional channels³⁰⁵.

³⁰⁴ See Julio Aróstegui: 'Introducción. El Carlismo y las guerras civiles' in Julio Aróstegui, Jordi Canal and Eduardo G. Calleja (coords.) 2003: '*El Carlismo y las guerras carlistas. Hechos, hombres e ideas*' Madrid: La Esfera de los Libros p.21.

³⁰⁵ Julio Aróstegui: 'Introducción. El Carlismo y las guerras civiles' (*op. cit.*) pp. 21-28

b. The antecedents of the construction of the Diaspora 1872-1936.

The revolution/counterrevolution dialectic especially permeates the socio-political history of the Basque territories³⁰⁶. In 1808 the Basque provinces enjoyed a special political status within the Hispanic Monarchy as a result of the implementation of the *Fueros*. In 1939, that is, a century and thirty years after, the Basque provinces had lost their special political status in response to their co-operation with the Republican side during the civil war. In between two Carlists Wars had been fought in 1833 and 1872 and the privileges conceded by the *foral law* had been re-drawn due to the allegiance of Basque territories to the traditionalist cause (mostly after 1876).

Basque rural elites were, all throughout the nineteenth century on the side of traditionalism. What is more, when the Carlist cause was defeated in the 1870's part of these traditionalists elites recycled into proto-nationalists constituting the embryo of the Basque Nationalists Party.

On top of that, the Basque territories were the scene for the conflict between the rural world and the development of a modern urban world spurred by the industrial revolution. Economic and social changes, brought about by the process of industrialization, were particularly felt in the Basque Provinces, where the early development of mining and heavy industry, menaced the traditional ways of living both in urban and rural areas.

The political history of the Basque provinces is caught between two opposing forces. On the one hand, the Basque provinces were embedded in the system of privileges and traditional mores of the *Ancien Régime*. On the other hand, an incipient industrialized capitalist economy, brought about urbanization and intense immigration flows from other parts of Spain, as well as the emergence of mass politics and workers associations and parties linked to an developing class cleavage.

The special virulence of the revolution/counterrevolution dialectic in the Basque Country explains the intense process of politicisation of emigrant communities from 1875 onwards. Emigrants established an entrenched network of self-help organizations and cultural

³⁰⁶ Javier Real Cuesta has pointed out that during the nineteenth century and the early years of the twentieth century the cleavage traditionalism/liberalism structured the dynamics of political participation and competition in the Basque Provinces. See Javier Real Cuesta 1991: '*Partidos y bloques de poder en el País Vasco 1876-1923*' Bilbao: Universidad de Deusto pp. 11-29.

associations which worked in favour of the maintenance of Basque culture and language among Basque emigrants. The figure of the political refugee started to be more and more salient among Basque emigrants in America. This process started after the second Carlist war, which forced the exodus of many traditionalists and reached its peak in the aftermath of the Spanish Civil War in 1939. On top of that, the intense flow of religious emigration had an important input in the process of 'nationalization' of Basque emigrants in Latin America all throughout the period between 1872 and 1939.

The following sections explore the antecedents of the constitution of the notion of Basque Diaspora between 1872 and 1939. First, we analyse briefly the expansion of nationalist ideals among Basque emigrant associations in Latin America. The latter years of the nineteenth century witnessed the expansion of an intense associational thrust, especially in the Southern Cone of America. The establishment of these associations responded mainly to the needs of emigrants in the new societies, but also were the result of what have been defined elsewhere as a process of cultural identification. From 1903, these structures and the spirit of cultural identification would be used by nationalists to expand Sabinian ideas among Basque communities abroad.

Second, we explore the contribution of the religious emigration to the process of constitution of the Diaspora. Basque religious and missionary emigration to Latin America had been remarkable from 1830's up to 1960's. Nineteen century religious exiles, but also the missionaries and the clergy-men who opted for developing their religious career in the Americas, contributed to the institutionalisation of the Basque Diaspora in the Americas along the principles and values of the catholic church, which increasingly were translated into a political credo.

The link established between the catholic mores and the defence of the traditional mores of Basque society heavily rooted both in Carlism and Nationalism, pushed many priests into an intense political and cultural activism which had an impact on the constitution of the Diaspora. At the same time the activities developed by missionaries and clerics in the newly-established American republics triggered an intense relationship between the Basque Church and these territories which lays at the roots of many of the activities of Basque religious associations in these countries in more recent times.

- **Emigrants and exiles: The political activities of Basque emigrants in Latin America.**

The impact of the confrontation between traditionalism (mostly Carlists) and liberalism, on the configuration of a new type of emigrant (the exile) has been emphasized in the literature on Basque migration.

As Azcona has pointed out, between 1833 and 1872 many inhabitants of the Basque provinces were forced to emigrate, both because of the devastation brought by the war and because they were the losers of the conflict. As he further stresses, the historical events of the nineteenth century, give way to increasing political mobilization that was projected into the emigrant communities in Latin America³⁰⁷.

Before 1875, Basque emigrants had joined Spanish or French associations in the Americas³⁰⁸. Yet, from 1876 (coinciding with the end of the Second Carlist War) onwards they begun to develop their own associations³⁰⁹.

The first Basque centre (*Laurak bat*) was established in Montevideo in 1876. In 1877 the Basque community of Buenos Aires established the Basque centre of Buenos Aires, whereas in 1895 it the French-Basque centre was established. In 1899 the mutual-help society *Euskal Echea* was founded. In 1878 the Basque community of Havana established the Basque-Navarre Charity Association whose main task was to provide for economic assistance to poor Basque emigrants and funding repatriations³¹⁰. Later on during the twentieth century the associational spirit would extend to the Basque communities in Mexico (1907) United States (1938), Chile (1941), Dominican Republic (1940), Colombia (1958).

As it is shown by Óscar Álvarez Gila, the existence of a common language and mores triggered a process of osmosis between French-Basque and Spanish-Basque emigrants,

³⁰⁷ See José Manuel Azcona: 'La participación vasca en la empresa colonial y migratoria Americana (1492-1992)' (*op. cit.*) p. 481.

³⁰⁸ An important exception is the Brotherhood of Our Lady of Aranzazu, a charity association constituted by the Basque community living in Mexico in 1761.

³⁰⁹ See José María Tápiiz Fernández: 'La actividad política de los emigrantes vascos (1903-1936)' in Óscar Álvarez Gila and Alberto Angulo Morales (eds.) 2002 *Las migraciones vascas en perspectiva histórica (siglos XVI-XX)*. Bilbao: Servicio Editorial. Universidad del País Vasco/ Euskal Herriko Unibertsitatea. p.181.

³¹⁰ See José Manuel Azcona: 'La participación vasca en la empresa colonial y migratoria Americana (1492-1992)' (*op. cit.*) pp. 487-497.

which found an institutional reflection in the constitution of Basque centers from 1876 onwards. Yet, as he further states, the frontier between cultural identification and political mobilization of the Basque identity was not to be trespassed before the beginning of the twenty century³¹¹.

For example, the foundational act of the Laurak Bat stated that the '*critical situation in which the Country was to be found after the last Carlist War and the loss of the Fueros*' laid the roots for the establishment of the Laurak Bat '*as a means of showing their solidarity with all the Basques from the Iberian Peninsula*'³¹². Yet, it was not before 1902 that the Statute of the association established the obligation for the directive commission of the center to protest against the laws that had abolished the Fueros in 1876. From 1903 up to 1939 the center published every year a political manifesto claiming for the restoration of the Fueros and Basque liberties.

By 1877, much of the aforementioned common cultural ground had found in the principles defended by Carlism a way of expressing politically. In the case of the Laurak Bat of Buenos Aires, the defense of the Fueros, abolished in 1876, was part of Carlist's defense of the traditional arrangements of the Ancien Regime. Foralism, as defended by Carlism didn't incorporate notions such as nation or people in their contemporary political meaning. For Carlism, Basque traditions and liberties were to be respected within a more general process of restoration of the traditional values and mores within the Spanish monarchy. The restoration of the Fueros represented the retrieval of the old legal arrangements of the *Ancien Regime* rather than the implementation of the nationality principle. Nevertheless, as Oscar Álvarez Gila argues, the defense of Basque traditional institutions and culture, operated as a kind of pre-condition for the diffusion of Nationalism among Basque emigrants in Latin America³¹³.

³¹¹ See Óscar Álvarez Gila: 'Vascos y vascongados: luchas ideológicas entre carlistas y nacionalistas en los centros vascos del Río de la Plata 1900-1930' in Ronald Escobedo Mansilla, Ana de Zaballa Beascochea and Oscar Álvarez Gila (eds.) 1996: '*Emigración y redes sociales de los vascos en América*' Vitoria-Gasteiz: Servicio Editorial Universidad del País Vasco/Euskal Herriko Unibertsitatea p. 178

³¹² See Reyes Marquez Ortiz: 'Colectividad Vasca y asociacionismo en Argentina' in Ronald Escobedo Mansilla, Ana de Zaballa Beascochea and Oscar Álvarez Gila (eds.) 1996: '*Emigración y redes sociales de los vascos en América*' (op. cit.) p. 128.

³¹³ See Óscar Álvarez Gila: 'Vascos y vascongados: luchas ideológicas entre carlistas y nacionalistas en los centros vascos del Río de la Plata 1900-1930' in Ronald Escobedo Mansilla, Ana de Zaballa Beascochea and Oscar Álvarez Gila (eds.) 1996: '*Emigración y redes sociales de los vascos en América*' (op. cit.) p. 179

José María Tápiiz argues that, since the beginning of the XX century, the nationalist movement took advantage of the structure of emigrant associations to penetrate the Basque-American community. Following Tápiiz, the expansion of nationalism among emigrant communities in America presents the following characteristics³¹⁴:

- It was an imported phenomenon. That is, Basque nationalism was introduced into the Basque-American communities, rather than built-up from inside.
- It followed a slightly different path and chronology with respect to the process of nationalist movement structuring in the Basque territories.
- The expansion of nationalism began very early, profiting from the existing associational structures in the emigrant community.
- It is not a linear phenomenon. It was severely contested in specific periods by Carlists and other traditionalists, especially during the Civil War and in the period 1910-1920.

The expansion of nationalist ideology among the Basque communities in Latin America can be subdivided into three main stages. First stage covers the period 1903-1910. This is a period of rapid expansion in which the groups of nationalists who landed in America gained control over Basque emigrant associations, using their publications for political propaganda and spreading Sabinian ideas among Basque emigrants.

The second stage extends from 1910 to 1920. This is a period of a downturn of the nationalist impetus. Nationalists were contested by non-nationalists Basques, which managed to gain back the control of the associations and their publications. As we have said before, the Basque-American population was not ready for this new independentist ideology. Even if in the early years nationalism had gained supporters among immigrants, mostly among second generation immigrants, there were many others for whom the Sabinian precepts were not that appealing. Particularly important were the exiles from the last Carlist war who despite their allegiance to traditionalists values, similar to those defended by Sabinian nationalism, were essentially Spanish nationalists.

³¹⁴ José María Tápiiz Fernández: 'La actividad política de los emigrantes vascos (1903-1936)' (*op. cit.*) p.182-183.

The third stage 1920-1936 witnessed the second upsurge of Basque nationalism among the Basque communities in America. Basque nationalists gained, once again, the control of Basque emigrants associations, whereas non-nationalist Basques formed their own associations.

According to Tápiz, the re-emergence of nationalism among emigrant communities is correlated to the position that the Basque Nationalist Party has achieved by 1920 in the Basque provinces³¹⁵. From 1906 to 1918 the Basque Nationalist party extended its political presence in Biscay and Guipuzcoa, whereas it slowly penetrated into Alava and Navarra. During these years the party established a new organizational structure. It was divided into four regional committees and a National Council (the *Euskadi Buru Batzar*). During this period it progressively gained institutional presence, mainly at the local level, as well as creating a dense network of cultural associations and sport and social clubs³¹⁶.

The expansion of the Basque Nationalist Party in the Basque provinces was projected into Basque-American communities by two different means: First, through generational replacement among emigrants. Newcomers that is, the new generation of emigrants, had been more exposed to nationalist ideology and therefore were more prone to embrace nationalist ideology in America; second, the slow process of assimilation of traditionalist and Carlists, due to the increasing emphasis of Basque nationalism on two ideological elements that they shared with Carlists, that is, radical Catholicism and the emphasis on the restoration of the *Fueros*³¹⁷.

Nationalists re-gained control of many of Basque emigrant associations. Profiting from its increasing salience among Basque emigrants communities, the Basque Nationalist Party

³¹⁵ See José María Tápiz Fernández: 'La actividad política de los emigrantes vascos (1903-1936)' (*op. cit.*) p.186.

³¹⁶ See José Luis de la Granja: 'El Nacionalismo Vasco' in José Luis de la Granja and Santiago de Pablo (coords.) 2002: '*Historia del País Vasco y Navarra en el siglo XX*' Madrid: Biblioteca Nueva. p. 252.

³¹⁷ José Luis de la Granja has stressed that during the period 1906-1918 the Basque Nationalist party decided to re-formulate its ideology around the motto *Jaungoika eta Lagi Zarra (JEL)* that is, God and Old Laws. The God clause indicated their catholic heritage and the respect for the traditional catholic values against the mores brought by liberalism and the industrial revolution. To Sabino Arana the defence of the Basque nation could only be done from a radical catholic perspective. The Old Law clause, is an explicit reference to the full restoration of the *Fueros*, which had been a Carlist claim since 1833 and specially in 1872. As he further states the structuring political discourse along the JEL motto, permitted the legalization of the Party in 1906, yet it left unresolved the question of whether the Basque Country could remain in Spain or it should seek its independence. See José Luis de la Granja: 'El Nacionalismo Vasco' (*op. cit.*) p. 251-252.

established during the early thirties three extraterritorial local assemblies (at Santiago de Chile, Montevideo and Buenos Aires) and further developed the structure of *batzokis*³¹⁸ and Basque Young associations in Argentina, Uruguay and Chile.

By 1936, Basque nationalists had developed an intense organizational structure. Even though support for nationalist ideas among Basque emigrants was far from being majoritarian, Basque nationalist created a structure of organizations and lobbies which permitted them to manage the exile of more than 10.000 Basques in the aftermath of the Spanish Civil War (1936-1939). What is more, from 1939 onwards, the Basque Nationalist Party and the Basque Government in the exile profited from this structure to keep the flame of Basque nationalism and the memory of Basque political autonomy alive, not only among Basque-American communities, but also among exiles in Europe.

Yet, before analysing the constitution of Basque Diaspora in the aftermath of the Spanish Civil War, it is important to analyse the role of Basque priests and missionaries in the expansion of the nationalist ideals among Basque emigrants communities in Latin America.

- **1872-1936: From Carlist clergy to Nationalist clergy: The politicisation of the Basque Clergy and its role in the expansion of Nationalism among emigrant communities in America**

The relationship between Basque clergy and Latin America has been a long standing feature in the history of Basque provinces since the sixteen century. The nineteen century, witnessed the so-called 'second missionary thrust'³¹⁹. According to different statistics, from 1820 to 1960, approximately 7000 Basque missionaries moved to Latin America. Yet, the activities and motivations of missionaries during the nineteen and twenty centuries differed radically from the earliest phase, in which religious emigration was mainly connected to the colonial enterprise.

³¹⁸ Structure of associations dependant of the Basque Nationalist Party which offer recreational as well as political activities oriented to the socialization in the principles of Basque Nationalism.

³¹⁹ See Oscar Álvarez Gila 1998: '*Misiones y misioneros vascos en Hispanoamérica (1820-1960)*' (*op. cit.*) p. 23.

Carlism and Basque religious emigration to Latin America 1876.

Oscar Álvarez Gila has identified Carlism as the most important element for understanding the evolution of the Church in the Basque provinces after 1868. According to him, Carlism was widespread among clerics not only in the Basque country, but also in the rest of the Spanish territories³²⁰.

Following Oscar Álvarez Gila, we can agree there was a general perception, which linked the clergy from the Basque provinces with the Carlist upheaval. Already in 1869, three years before the Carlist upheaval, the Ministry for Grace and Justice warned the Hierarchy of the Spanish Church, about the activities of some clergy who, profiting from their sacred ministry, were '[...] *lightning with criminal ardour the flame of conflict*', making it necessary '[...] *both in order to keep the dignity of the clergy and to preserve the security*

³²⁰ See Oscar Álvarez Gila 1998: '*Misiones y misioneros vascos en Hispanoamérica (1820-1960)*' (*op. cit.*) p. 51. The Carlist movement was the meeting point of a set of conservative groups, which shared the defense of institutions and privileges menaced by the liberal revolution. The social diversity inherent to Carlism explains the use of a merely anti-liberal rhetoric which lacked more general references to social change. Yet, the Church's support for Carlism in the Basque Country was not as straightforward might appear initially. Taken as a corporation the Church never supported Carlism. Vicente Cárcel Ortí has claimed that '*Spanish clergy taken as a whole, was neither revolutionary nor counterrevolutionary. Neither it supported liberalism nor it supported Carlism. It was simply clergy.*' We can distinguish between the attitudes of the Hierarchy of the Church and those of the lower strata of the Clergy.

From 1835 onwards successive liberal policies had limited the power of the Church in Spain. In 1835 the first secularisation process took place. The concordat of 1851 put an ease to the tense relationships between the Church and the State, up to the 'glorious revolution' of 1868 and the Constitution of 1869, which brought about a new secularisation process and further auctions of the properties of the Church. On top of that, the freedom of religion was recognized, even if the Spanish State remained catholic. These events, and Carlist emphasis on the restoration of lost catholic values pushed the Hierarchy of the Church towards a '*benevolent neutrality*' in 1872.

Conversely, low clergy supported actively Carlism both in 1833 and in 1872. The relation of the low-clergy, can be understood in the context of an anti-liberal reaction of the lowest states of the Church. Data collected for the case of Navarre for the period 1833-1839 show how in the countryside more than the 10% of overall Carlism supporters were clergymen, whereas in Pamplona Carlism supporters recruited among the clergy mounted to the 22%. The situation in 1872 was slightly different due to the incorporation to the ranks of Carlism of laborers, unskilled workmen, artisans, small owners and merchants, students and liberal professionals, which might indicate a process of urbanization of the sociology of Carlism. Yet the proportion of clergymen supporting Carlism remained high in Navarre and the Basque provinces. See among others: Eduardo González Calleja: '*¿Quiénes eran los Carlistas?*' in Julio Aróstegui, Jordi Canal and Eduardo G. Calleja (coords.) 2003: '*El Carlismo y las guerras carlistas. Hechos, hombres e ideas*' (*op. cit.*); Julio Aróstegui 'La crisis y la segunda guerra Carlista (1840-1876)' in Julio Aróstegui Jordi Canal and Eduardo G. Calleja (coords.) 2003: '*El Carlismo y las guerras carlistas. Hechos, hombres e ideas*' (*op. cit.*); Javier Corcuera Atienza 1979: '*Orígenes, ideología y organización del nacionalismo vasco: 1876-1904*' (*op. cit.*) pp. 38-39 and 40-47. Vicente Cárcel Ortí 1979: '*Iglesia y Revolución en España (1868-1874)*' Pamplona: Ediciones Universidad de Navarra. pp. 493 and 508-512.

of the State, to punish those clergy-men who, abusing of their ministry, try bring to us the horrors of a disastrous civil war'³²¹.

By 1875, a year before the defeat of Carlism, the relationship of the clergy in the Basque provinces with the Carlist insurrection was even more clearly stated. As is written in a document from that period: '*Los curas y las mugeres: he aquí la personificación del carlismo vascongado. Sin la predicación político-religiosa de los unos [...] los generales carlistas no llegaron a acaudillar soldados*' [Clergymen and women: that is the impersonation of Carlism in the Basque provinces. Without the political-religious preaching of the former, Carlist generals would have never commanded any soldiers]³²².

Despite the propagandistic and anti-clerical nature (not to mention the evident misogynic tone) of these documents, they show how the link between the Carlist upheaval and part of the Basque low-clergy, was a common perception in the mindset of pro-restoration elites and constituencies.

By 1874 the entente between the Alfonsine monarchy and the Hierarchy of the Church, (finally sanctioned in the Constitution of 1876), reduced the support of the Hierarchy for the Carlist options. The restored monarchy could count on the allegiance of the Church which had leaned in favor of Carlist insurrection, as long as its affirmation of traditional values could offer a better position for the Church in the overall architecture of the political system³²³.

Oscar Álvarez Gila claims that the emigration of regular and diocesan clergy from the Basque provinces to Latin America was very important after the Carlist defeat in 1876, yet he recognizes the inexistence of direct sources, which could allow us to measure the quantitative impact of the second Carlist war on Basque clergy's' emigration to Latin America. Nevertheless, as he further claims, the analysis of secondary sources points to an

³²¹ See *Prámbulo del Decreto de 5 de Agosto de 1869* quoted in Vicente Cárcel Ortí 1979: '*Iglesia y Revolución en España (1868-1874)*' (op. cit.) pp. 495-496.

³²² Fidel de Sagarminaga: '*Dos palabras sobre el carlismo vascongado*' published in Bilbao in 1875, quoted in Oscar Álvarez Gila 1998: '*Misiones y misioneros vascos en Hispanoamérica (1820-1960)*' (op. cit.) p. 51.

³²³ Alfonsine monarchy, restored ecclesiastical finances to pre-1868 levels and abolished academic freedom in the universities, gaining once again the hearts and the minds of the Hierarchy and ensuring their support for the new King and the system of the Restoration. As a consequence, it was the lower-clergy who suffered the consequences of the Carlists' defeat in 1876. See William J. Callahan 2000: '*The Catholic Church in Spain 1875-1998*' Washington: The Catholic University of America Press pp.20-25.

important flow of Basque clergymen, who choose the Republics of the southern cone, mostly Argentina as their destination³²⁴.

From Carlism to Nationalism: The politicization of Basque Clergy from the Restoration to 1936.

From 1876 to 1936, nationalism progressively gained supporters among the ranks of Basque clergy. Yet, the relationship between the Basque clergy (especially the lower strata) and Basque nationalism is much more complex than a simple process of substitution of anti-liberal ideologies.

The analysis of the data presented by Aizpuru and Unanue for the province of Guipuzcoa shows how young priests (between 30 and 41 years old) by 1931 were clearly filo-nationalist, whereas their older colleagues still embraced the Carlist traditionalism³²⁵.

The table below shows the ideological adscription of the secular Clergy of Guipuzcoa in 1931, using a list published by the Dioceses of Vitoria. The elder clergy, those between 61-80 years old when the list was issued, clearly supported for Carlism precisely because most of them were exposed to the expansion of Carlism in the Basque country and to the Second Carlist War in 1872. Yet, the percentage of Carlist supporters among those between 41-60 years old remains quite high, given that these priests were politically socialized in a context in which Carlism was declining as a political force.

³²⁴ See Oscar Álvarez Gila 1998: '*Misiones y misioneros vascos en Hispanoamérica (1820-1960)*' (op. cit.) p. 54.

³²⁵ See Aizpuru, M.X. and Unanue, D: 'El clero diocesano guipuzcoano y el nacionalismo vasco: un análisis sociológico' in J.G. Beramendi and R. Maiz (comp.) 1991: '*Los nacionalismos en la España de la II república*' Madrid: Siglo XXI pp. 287-303. The data are gathered using the following methodology. Using an official list of the clerics of Guipuzcoa in 1931 published by the Dioceses of Vitoria, a survey of 20 clerics of the dioceses was realized. In this survey the subjects were asked for the political allegiance of the rest of the clerics mentioned in the list (671). The inherent risks of the methodology employed by the authors and the problem of not using complementary sources, (for instance a documentary analysis of the correspondence or other kind of written material belonging to the enlisted clerics) to check the veracity of the results of the survey, cast many doubts on the figures offered by the authors. Yet, the data presented can be used as an indicator of major trends. To this respect, the distribution of the priests in cohorts shows that the eldest clergymen of the list, those who most probably lived the Carlists war of 1872, were, to a great extent, identified as Carlist. Conversely, the younger the cluster analyzed, the less Carlists ideals seemed appealing to the clerics, who more and more tend to integrate the ranks of nationalism. These findings are (if taken as a general trend) consistent with the historiography, which has stressed how Sabinian Nationalism progressively substituted Carlism as the dominant ideology in the Basque territories.

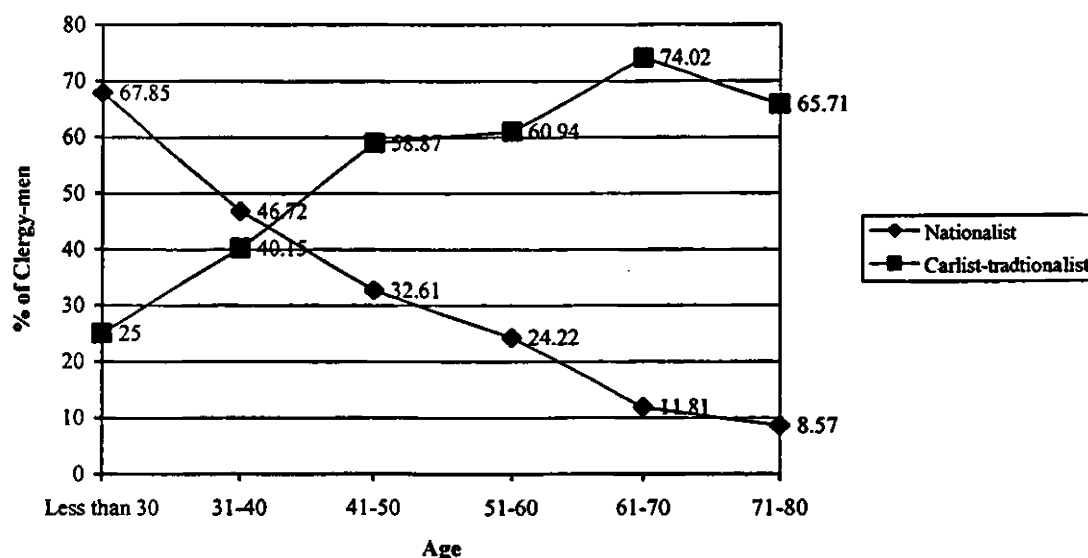
Table 2: Ideology of the secular clergy of Guipuzcoa in 1931 (by clusters of age)

	<i>Less than 30</i>	<i>31-40</i>	<i>41-50</i>	<i>51-60</i>	<i>61-70</i>	<i>71-80</i>	<i>Unknown</i>
<i>Nationalist</i>	67,85	46,72	32,61	24,22	11,81	8,57	8,51
<i>Carlist-traditionalist</i>	25	40,15	58,87	60,94	74,02	65,71	29,79
<i>Other Right Wing forces</i>	1,79	7,3	2,13	4,69	1,57	0	31,91
<i>A-political</i>	3,57	5,1	4,26	7,03	9,45	14,29	10,64
<i>Unknown</i>	0	0,73	1,42	2,34	3,15	11,43	17,02
<i>Republicans</i>	1,79	0	0,71	0,78	0	0	2,13
<i>Total</i>	100	100	100	100	100	100	100

Source: Aizpuru and Unanue 1991: 'El clero diocesano guipuzcoano y el nacionalismo vasco: un análisis sociológico' (*op. cit.*) p. 292.

The comparison of the evolution of both Carlism and Nationalism shows how, at least since the early years of the twentieth century, Nationalism can be considered the dominant ideology among the clergy of Guipuzcoa. The generation between 31-40 years old in 1931 abandoned Carlism in favour of Nationalism. As shown in the figure, the increasing appeal of nationalism is clear for the generation who were between 51-60 years old in 1931, whereas support for Carlism remained quite stable.

Figure 8: Distribution of Nationalist and Carlist ideologies among the secular clergy of Guipuzcoa (age-clusters)



The concomitance between Carlism and Basque nationalism values might help us to understand the prevalence of Carlism in clusters who were not politically socialized during the golden years of Carlism. Following Esnal, Basque clergy found in Aranian nationalism, an updated and more coherent version of old traditionalist ideas of Carlism³²⁶. The new ideology assumed the old claims integrating them into the socio-political context of late nineteenth century's Euskadi. According to her, Sabino Arana's motto *Jaungoikua eta Lege Zarra* structured the religious, political and cultural beliefs of part of the clergy who traditionally had supported Carlism and traditionalism³²⁷.

Between 1870's and 1936 part of Basque clergy engaged in an ardent defense of the principles and mores of the traditional society, which included not only support for counterrevolutionary movements, such as Carlism, but also a defense of the local traditional culture in a context of rapid social change and political instability. Basque clergy participated in the promotion of Basque culture and literature as well as contributing to the development and diffusion of Euskera, giving way to what has been called the *Basque Renaissance*³²⁸.

However, as Lannon has put it, *'the relationship between such promotion of Basque culture and language and a political commitment to Basque nationalism is no easy matter to elucidate. They cannot, of course, simply be identified the one with the other, but neither they can be realistically regarded as mutually independent, either in their historical development or in the actual people involved. Dedication to the one was often, though by*

³²⁶ In a similar vein Fernando García de Cortazar Ruíz de Aguirre states, *'The political doctrine of Sabino Arana possessed all the elements to stimulate the radical Catholicism of Basque clergy. The intermingling of religion and politics sanctioned by the nationalist credo, tempted part of the clergy, who had already supported a similar institutional alliance between the Church and the State, that defended by Carlism. Yet, nationalism offered new elements: the road to the establishment of the Basque patria had to be walked hand in hand with religion and a feverous exaltation of the virtues of the oppressed nation. Thus, the spiritualization of the notion of people proposed by Basque Nationalism, offered new fields for priesthood, to Basque clergy-men'*. See Fernando García de Cortazar Ruíz de Aguirre: *'Iglesia Vasca, religión y nacionalismo en el siglo XX'* in Juan Pablo Fusi and Fernando García de Cortazar 1988: *'Política nacionalidad e iglesia en el País Vasco'* San Sebastián: Editorial Txertoa p. 66.

³²⁷ See Maitane Ostolaza Esnal 2000: *'Entre Religión y modernidad: los Colegios de las Congregaciones Religiosas en la construcción de la sociedad guipuzcoana contemporánea, 1976-1931'* Bilbao: Servicio Editorial Universidad del País Vasco/Euskal Herriko Unibertsitatea p. 275.

³²⁸ Even though the group of *curas euskeristas* represented a small proportion of the Basque low clergy, they developed a rather intense public activity, in order to make the public opinion of the time perceive an intrinsic link between nationalists aspirations and the activities of Basque clergy. See Maitane Ostolaza Esnal 2000: *'Entre Religión y modernidad: los Colegios de las Congregaciones Religiosas en la construcción de la sociedad guipuzcoana contemporánea, 1976-1931'* (op. cit.) pp. 264-270

no means always, a sign of dedication to the other. And among the students for the priesthood at Vitoria, enthusiasm was not running high only for cultural experimentation³²⁹.

In many cases, as Goñi Gaztambide puts it, '*siendo los sacerdotes, procedentes del país y de las bajas clases sociales y fruto también de su educación antiliberal abrazaron el nacionalismo para proteger la religión pero también porque vieron en él el medio más eficaz de impulsar la cultura vasca*' [...given the local social origins of the clergy and their anti-liberal education, they embraced nationalism not only as a means of protecting religion but also as a means of protecting Basque culture]³³⁰. As F. Lannon further argues, the Vitoria Seminary did not produced nationalists priests, as the myth of the nationalist clergy seems to point out, nor did they converted the people to the new nationalist ideology. Rather, students and priests carried with them the aspirations and loyalties learned in their own family contexts or their villages, which they later on incorporated into the exercise of their ministry³³¹.

What is more, the use of Euskera by Basque clergy-men responded to practical considerations on the best method of spreading the Word of God among the constituencies³³². Basque language was used by constituencies in rural areas, but also by clergy-men, who in many cases had been born in these areas. Rough estimates put the total

³²⁹ See Frances Lannon: 'A Basque Challenge to the Pre-Civil War Spanish Church' *European Studies Review* Vol. 9. Num 1. January 1979. p. 43

³³⁰ See Joseba M. Goñi Gaztambide: 'Eliza Euskal Herrian absolutismo antiliberalaren, liberalismo kaatolikoaren, nazionalismoaren eta social-demokraziaren garaian (1808-1936)' in AAVV (1987): '*Euskal Herriaren historia III*' Bilbao. p.169 quoted in Mikel Xavier Aizpuru and Donato Unanue: 'El clero diocesano guipuzcoano y el nacionalismo vasco: Un análisis sociológico' (*op. cit.*) p.288.

³³¹ See Frances Lannon (1975): '*Catholic Bilbao from Restoration to Republic: a selective study of educational institutions, 1876-1931*' Oxford: Unpublished PhD dissertation p. 381. quoted in Maitane Ostolaza Esnal 2000: '*Entre Religión y modernidad: los Colegios de las Congregaciones Religiosas en la construcción de la sociedad guipuzcoana contemporánea, 1976-1931*' (*op. cit.*) p. 275.

³³² According to Esnal the defence of the vernacular language for utilitarian considerations should not be conflated with the promotion of Basque language and its codification through written texts and documents. Preaching in Basque had been a common practice since the times of the Concilium of Trento, which allowed the use of vernacular languages, as a means of counteracting the expansion of Protestantism. See Maitane Ostolaza Esnal 2000: '*Entre Religión y modernidad: los Colegios de las Congregaciones Religiosas en la construcción de la sociedad guipuzcoana contemporánea, 1976-1931*' (*op. cit.*) pp. 259-260.

number of Basque speakers somewhere in-between 400.000-600.000 by mid nineteen century that is, between the 55% and 84% of the population³³³.

However, the progressive construction of a link between the promotion of Basque culture and language and Basque nationalism, resulted in opposition from the hierarchy to the use of Basque language, or to the activities of the priests in the promotion of the Basque culture. These activities were more and more perceived as a threat both to the political system of the Restoration and also to the terms of the relationship between the Hierarchy of the Church and the Alfonsine Monarchy³³⁴.

According to Óscar Álvarez Gila it is not before 1895 that the first, self-declared, nationalists students entered the Vitoria Seminar, yet, their activities are not very well documented. The first documented case of an *abertzale student* who emigrated to the Americas to be ordained a priest is dated in august 1900³³⁵.

Oscar Álvarez Gila has described the activities of the first groups of exiled nationalist clergy-men. These voluntary exiles soon made contact with the incipient nationalist organizations in the exile, co-operating in their further establishment. Yet, it is not before

³³³ See Marianne Heiberg 1989: *'The making of the Basque Nation'* Cambridge: Cambridge University Press p. 46.

³³⁴ Esnal quotes the following paragraph from the *Real Orden de 30 de Septiembre de 1880 dirigida a los gobernadores de Guipúzcoa, Vizcaya y Álava*, which illuminates the increasing concern of the Spanish government, already by 1880, with the expansion of political dissidence in the Basque provinces and the involvement of clergy-men: *'El Gobierno de Su Majestad ha sabido con profundo sentimiento que algunos individuos pertenecientes al clero de esas provincias olvidan a veces los sagrados deberes de su ministerio y que, prevalidos de la especialidad de las lenguas vascongadas, en las que se les consiente dirigirse a los fieles, suelen hacer desde el púlpito exhortaciones contrarias a la Constitución del Estado y a las leyes vigentes [...] con tal motivo S.M. el Rey se ha dignado a disponer que despliegue V.S. el mayor celo para inquirir los casos en que por parte de los eclesiásticos de esa provincia en general, y señaladamente los oradores que predicán en vascuence, se delinca contra la Constitución o las leyes del reino'*. [The Government of his Majesty, with great disillusionment, has come to the knowledge, that some individuals belonging to the clergy of these provinces, forget, from time to time, the sacred duties of their ministry and taking advantage of the Basque languages in which they are allowed to preach to their constituencies, they use the pulpit to speak against the Constitution of the State and the applicable laws [...]. For this reason, his majesty the King graciously order the greatest contentiousness in order to investigate the cases of clergy-men in those provinces, and more specifically those who preach in Basque, who might act against the Constitution and the Laws of the kingdom.]. See Maitane Ostolaza Esnal 2000: *'Entre Religión y modernidad: los Colegios de las Congregaciones Religiosas en la construcción de la sociedad guipuzcoana contemporánea, 1976-1931'* (op. cit.) p.273.

³³⁵ See Santiago de Pablo: 'La Iglesia' in José Luis La Granja and Santiago de Pablo (eds) 2002: *'Historia del País Vasco y Navarra en el siglo XX'* Madrid: Biblioteca Nueva. p. 303; Oscar Álvarez Gila 2002: *'Clero Vasco y Nacionalismo: del exilio al liderazgo de la emigración'* Alicante: Biblioteca Virtual Miguel de Cervantes. p. 2 Internet link: <http://www.cervantesvirtual.com/FichaObra.html?portal=21&Ref=7740>

the decade 1911-1921 that Basque nationalist clergy-men were systematically forced into exile by the Hierarchy of the Church.

The Hierarchy of the Church attacked the expansion of Nationalism among the clergy by three major instruments: First, they conceded the Episcopal dignity to pro-monarchy priests in the Basque country, who were later on distributed throughout the Spanish geography, as a means of showing Basque Church fidelity to the Regime. Second, non-Basque bishops were assigned to Basque dioceses as a means of counteracting the perils of a Basque bishop building a common case with the lower-clergy on the nationalist issue³³⁶. Third, those clergy-men suspected of supporting nationalism, were forced into exile.

The most important prosecution of nationalist clergy-men was directed against the members of religious orders, such as the order of the Capuchinos from Navarre. Oscar Álvarez Gila has quantified the number of Capuchinos, who emigrated to America in the years from 1900 to 1920. According to his data in 1900 only 23 Capuchinos were working in Latin America, whereas by 1920 the number of Capuchinos had raised to 95. The prosecution suffered by the order of the Capuchinos was recognized by the very Superior of the order in Rome. According to him, '*Basque superiors, in order to stop the expansion of Bizkairritismo, felt forced to extreme solutions, such as sending entire groups of clergy-men to Argentina*'³³⁷.

Exiles continued their integration into the already existing organizations of Basque emigrants in Latin America. Oscar Álvarez Gila has shown how nationalist clergy-men participated in the establishment of the mutual help society Euskal Echea of Buenos Aires taking care of education, child and elderly care activities³³⁸. At the same time, nationalist clergy-men took part in the 'nationalization' of Basque emigrants associations. As Oscar

³³⁶ See Sánchez Erauskin, Javier, 'Obispos vascos del 18 de julio', *Muga*, 84 (1993), Bilbao, pp. 36-43. See also Santiago de Pablo: 'La iglesia' (op. cit.) pp 303-305.

³³⁷ Melchor de Benissa O. F. M. Cap. al Marqués de Villсандина, Embajador de España en el Vaticano: Roma, 9-I-1922. Quoted in Oscar Álvarez Gila 2002: '*Clero Vasco y Nacionalismo: del exilio al liderazgo de la emigración*' (op. cit.) p. 7

³³⁸ Oscar Álvarez Gila 2002: '*Clero Vasco y Nacionalismo: del exilio al liderazgo de la emigración*' (op. cit.) p. 9.

Álvarez Gila further argues the nationalist clergy-men took part in the disputes between Carlists and Nationalists for the control of the Basque centres in Latin America³³⁹.

By 1936, Basque religious exiles and missionaries were particularly well integrated in the communities of Basque emigrants, co-operating actively in the establishment of Basque centres, in the expansion and maintenance of Euskera, and promoting of Basque culture and history through a number of publications and seminars. On top of that, they developed all the activities related to their ministry (i.e. taking care of the souls of the emigrant communities in Latin America). The advent of the Spanish Civil War increased dramatically the flow of exiled Basque clergy-men to Latin America deepening the relationship of the ministries of the church with the construction of the Basque Diaspora.

c. The construction of the Basque Diaspora: The politics of exile after the Civil War 1939-1960.

As we have seen in previous sections, from 1872 onwards progressive politicization of Basque emigration can be identified. This process begins with the incorporation of Carlism, which settled the pre-conditions for the incorporation of nationalist ideals, which expanded rapidly among emigrants thanks to the activities of an entrenched network of associations in the American territories.

On top of that, the massive flow of clerical emigration contributed actively to the constitution of Basque networks in Latin America and to the expansion of nationalist ideals among emigrants. The incorporation of Nationalism into the mindset of Basque clergy men and the division between lower clergy and the hierarchy along the *bizkairrista* question, pushed many clergy men to Latin America, where a number of Basque religious orders had established been since 1820.

The Spanish Civil War and the advent of Franco's dictatorship further structured, at a political level, Basque emigrant communities in two major ways. First, as Santiago de Pablo has shown, the Civil War exacerbated the division between nationalists and traditionalists among Basque emigrants leading to the rupture of Basque emigration into

³³⁹ Oscar Álvarez Gila 2002: '*Clero Vasco y Nacionalismo: del exilio al liderazgo de la emigración*' (op. cit.) p.10.

two major groups. On the one hand, Carlists or ultra-Catholics welcomed the advent Franco's victory and the new regime as a means of restoring the traditional catholic values of Spanish society menaced by the advent of the II Republic³⁴⁰. On the other hand, Nationalists followed the path signaled by the Basque Nationalist Party supporting the II Republic, which had committed to Basque self-government in 1936.

The strict division between republicans and pro-Franco Basque emigrants facilitated a process of ideological cleansing among Basque emigration structures. Most of Franco's supporters abandoned the associations of Basque emigrants establishing new organizations, or merging into pro-Franco associations of Spanish emigrants³⁴¹.

A Republican oriented network of Basque emigrants associations (in most cases controlled by the structures of the Basque Nationalist party), together with the Basque government in the exile and the structures of the Basque Nationalist Party facilitated the emigration of more 10.000 people both by offering facilities for newcomers and lobbying governments to favor (even by issuing special immigration laws) the entry of Basque people into their countries.

Second, the Basque Government in the exile paid, from 1939 onwards, increasing attention to emigrant communities both in France and Latin America, as the repositories of Basque liberties stolen by the military upheaval of 1936³⁴².

With advent of the Second World War nationalists leaned on the allied side, thinking that an ally victory would mean the fall of Franco's regime and the restoration of Basque self-government. The Basque government pushed itself into a frenetic collaboration with the allies and with other movements opposed to the forces of the Axis. The Basque government developed an independent agenda of diplomatic contacts as a means of taking the Basque cause out of the vortex of division and confrontation within the rest of the republican exile.

³⁴⁰ See Santiago de Pablo: 'La dictadura franquista y el exilio' in José Luis de la Granja y Santiago de Pablo (eds) 2002 *Historia del País Vasco y Navarra en el siglo XX* Madrid: Biblioteca Nueva pp. 89-115.

³⁴¹ It should be noted that this process was by any means pacific.

³⁴² See During the Civil War the Basque government in the exile developed propaganda activities in order to gain support for the republican cause abroad as well as to give Euskadi a distinguishable voice in the international concert See Xosé Manuel Nuñez Seixas: 'Relaciones exteriores del Nacionalismo Vasco (1895-1960)' in Santiago de Pablo (ed) 1995: *Los Nacionalistas: Historia del Nacionalismo Vasco: 1876-1960* Vitoria: Fundación Sancho el Sabio.

This include also contacts with the government of the USA or other nationalities such as the Galician or the Catalans.

However, the aftermath of the Second World War witnessed a re-alignment of the allies regarding the so-called 'Spanish question', that is the survival of the Francoist regime in the context of Post-Second World War international relations. The Trumann Doctrine, facilitated the re-integration of Franco's dictatorship into the international concert, since it was perceived as an instrument for counterbalancing the expansion of communism in Western Europe.

In this context, the international politics of the Basque government in exile moved into a preservation-of-the-sacred-fire-strategy, giving way to the notion of Basque Diaspora. Many Basque nationalists, who had emigrated during the civil war years began to develop an increasingly active role within the network of Basque associations as well as co-operating with the Basque government in the exile in the opposition against Franco's regime.³⁴³

Yet, the dominant political role of the Diaspora was not to last. The Basque National Congress organized in Paris in 1956, (an initiative from the Lehendakari destined to celebrate the twentieth anniversary of the constitution of Basque autonomous government) sanctioned both the strength of Basque exile as well as the death of its political role in the mobilization against Franco's regime. In its address to the congress the Lehendakari highlighted the important role of the associations, both in France and Latin America in the preservation of the political memory of Basque autonomous government as well as the traditions, culture and language of the Basque people, prosecuted by Franco's regime. Yet, very little could be said about the impact of the different strategies of international mobilization. As has been evidenced in the literature, the fifties witnessed a progressive detachment from the part of exiles from the opposition activities against Franco's regime. In a political context in which Franco was sought as an important ally in the fight against communism, the politics of the exile which mostly consisted of pressurizing western regimes, were rendered useless leading to the disillusionment of most of the activists abroad.

³⁴³ See Santiago de Pablo: 'La dictadura franquista y el exilio' (*op. cit.*) p. 110.

After 1960, the rise of ETA and the death of Aguirre, who was substituted by Leizaola, put the organization of anti-Franco resistance in the hands of the organization within the Basque Country from 1960 onwards³⁴⁴. Yet, the decline of the political role of the *Diaspora* was not accompanied by a loss in its symbolic value. As it is shown in the next sections, the recovery of the memory of the *Diaspora* in the early phases of constitutionalisation of Autonomous Basque Government in 1978 and the return of exiles to the Basque Country from the American territories played a specific role in the construction of the symbolic discourse surrounding the transition in the Basque Country.

II.4.2.2 The mobilization of the Diaspora in Basque Country politics 1978-1983

As we have said before, Laura Destor Eldes has pointed out how the Basque Country represents an important exception in the overall process of reconciliation in Post-francoist Spain, brought about by the process of transition to democracy. According to her the symbolic memory of Basque political elites differed greatly from that of the rest of Spanish political elites, including other regions with nationalist aspirations such as Catalonia³⁴⁵.

Eldes states that rather than understanding Francoism as forty years disruption of authoritarianism that should be erased from the minds of Spaniards, Basque elites emphasized that the repression of Basque institutions, culture and liberties had occurred in a different time-frame, thus with rather different implications for the construction of the present system in 1978.

Following Eldes, Basque nationalism barely referred to the lost liberties in 1936 but to the death of the foral system in 1876 as a result of the II Carlist War. This different time frame provided for a different symbolic framework of analysis of the Spanish transition to democracy and the institutional outcomes that should have come about after the completion of the process of transition.

As a consequence, the role to be played by the *Diaspora* in the symbolic construction of Basque political autonomy after 1978 was not only to bring back the memory of the

³⁴⁴ See: José Luis de Castro Ruano and Alexander Ugalde Zubiri 2004: '*La Acción exterior del País Vasco (1980-2003)*' Oñate: IVAP Instituto Vasco de Administración Públicas pp. 86-88

³⁴⁵ See Laura Desfor Eldes 1998: '*Symbol and ritual in the New Spain: The transition to Democracy after Franco*' (*op. cit.*) pp. 129-138

liberties lost in 1936 as it was the case for Catalonia, but one of re-construction of a longer nationalist Basque political history, in which emigration was the immediate consequence of the lost of the Fueros and a long period of political repression of Basque liberties, which had lasted for more than a century. This way of understanding the role of the Diaspora as part of a broader time-frame of Basque political history was very much related to the process of de-internationalization of Basque resistance after 1960.

As we have said before, the rise of ETA and the control of the political activities against Franco by the Euskadi Buru Batzar, re-concentrating most of the decisional capacities that up to that moment had been concentrated in the hands of the Lehendakari Aguirre and the Basque Government in the exile, implied the lost of relevance of the Diaspora as a political actor in the resistance against Franco, though it retained an important symbolic value as the incarnation of the repression historically suffered by the Basque people.

The representation of a longer history of lost rights and liberties, through references to the Diaspora, served well the political agenda of the early Basque governments, which perceived enhancing the relations with the Diaspora as a way of incorporating the symbolic value of emigration into the broader process of institutional construction in the Basque Country, which before 1986 is mainly oriented towards the construction of the nationalist arcadia of an independent Basque Country.

At the institutional level the agenda of enhancing the relations with the Diaspora, was implemented through an official trip of the Lehendakari Garaikoetxea to Panamá Venezuela and Colombia in 1983.

II.4.2.3 Basque international co-operation and the Diaspora 1988-1990: The thrust of NGOs, the moderation nationalist discourse and the de-consecration of the Diaspora .

As we have seen before, the division of the nationalist front and the participation of the socialists in the governing coalitions after 1986 watered down the nationalist overtones in the political discourse of Basque institutions. This process affected the way in which Basque administration structured NGOs demands with the question of the relations with the

Diaspora, which up to that moment had played an important symbolic role in the politics of the Basque Country.

The mobilization NGOs in 1985 and 1988 brought to the front of the political debate the long-lasting tradition of relationships between organizations in the Basque Country (mostly religious) and Latin America, as well as the increasing concern from the part of newly-established left wing organizations with the political and economic situation in that area.

Most of the organizations, mobilizing in 1985 and 1988 had already developed co-operation activities in Latin America. The intensity of the ties between Basque organizations and Latin America, which in most cases had been structured along the activities of missionaries and emigrants all throughout the XIX and the XX century, had overridden the strict limits of the symbolic role given by Basque regional institutions to the *Diaspora* in the early years of transition.

Basque regional authorities driven both by the thrust of social movements and the process of normalization of the nationalist discourse at the institutional level, re-defined the symbolic role of the Diaspora within international co-operation. Regional decrees regulating international aid funds in 1988 and 1989, understood Basque international co-operation schemes as part of a '*long tradition of Basque international co-operation with other peoples, and more specifically with those areas of the world in which there is a strong presence of Basque emigrants*'³⁴⁶.

This way of structuring the role of the Diaspora within the political discourse underpinning Basque international aid, de-consecrated the role of the Diaspora. The references to emigration do not reflect the symbolic role of the Diaspora as the repository of the main values of the Basque nation, but focus on the exchanges between the Basque country and the territories with which the Basque Country has developed links throughout history.

The tradition of activities of international co-operation recalled in the documents analysed brought back the social dimension to the construction of the links between the Basque Country and Latin America, downplaying its symbolic meaning at the political level. This social dimension is structured along a long tradition of Basque missionaries' activities as

³⁴⁶ See Decreto 223/1989 de 24 de Octubre por el que se regulan las ayudas para la cooperación y el desarrollo. B.O.P.V. no. 203 27 de Octubre de 1989 pp. 7068-7078.

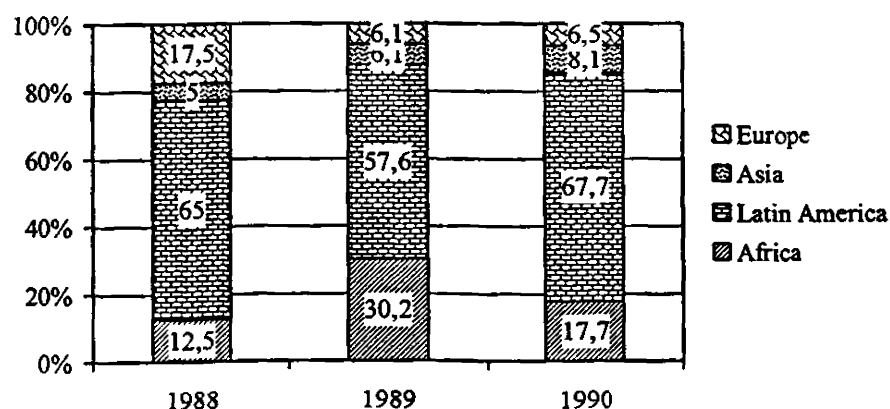
well as through the recent links established by organizations from Basque civil society with specific underdeveloped areas that we have discussed in previous sections.

Nevertheless, the de-consecration of the Basque emigration did not imply that Basque emigrant communities abroad lost influence in terms of Basque foreign policy and more specifically in regard to the definition of decentralized aid for development policies. Basque emigrant communities in Latin America, and its networks of associations, continued to play a relevant role in facilitating the penetration of the agents of Basque international co-operation initiatives in the social tissue of the recipient countries.

Thus, Basque international co-operation established a new sphere for the institutional relations of the Basque Country with those countries which had hosted the *Diaspora* during the years of the dictatorship. The program continued the path opened in 1985 by Lehendakartza's earlier contributions to NGOs, enhancing NGOs activities in the countries of the Southern Cone.

The geographic distribution of aid for this period confirms this tendency. Basque co-operation concentrated its activities mostly in the Latin American territories. A mean of the 64% of the total aid funds between 1988 and 1990 were allocated to projects developed in Latin America.

Figure 9: Geographic allocation of Basque foreign aid: 1988-1990



Source: Gobierno Vasco 1997: '*Memoria 1988-1997 Cooperación Pública Vasca. Ayudas al tercer mundo*'
Vitoria-Gasteiz: Servicio Central de Publicaciones

Basque international co-operation programs at this early stage followed the path signalled by NGOs for whom the Latin American connection had a deeper meaning than the construction of the Basque Community. Latin America was present in the history and the activities performed by these organizations throughout the years. Therefore it is not surprising that in the event of greater implication in co-operation activities on the part of the Basque Government, NGOs profited by enhancing their co-operation schemes with Latin America.

The only exception occurred in 1989 when, due to the famines in Africa, the percentage of funds allocated to projects implemented in this area doubled (reaching the 30% of total funds allocated). Yet, this increase in the funds destined for Africa in 1989 further confirms the argument presented so far. That is, that the strong input of Basque NGOs and the relaxation of nationalist discourse de-consecrated the role of Basque emigrant communities in the context of Basque international co-operation.

As we have discussed above, for NGOs international co-operation was structured along the lines of international solidarity and the fight against the uneven redistribution of economic resources in the world. At the same time, most of Basque NGOs had developed intense relations with countries in Latin America. The combination of the Latin America agenda and the fight against poverty worked quite well for the regional administration which was interested in deepening the relations with the countries that hosted Basque emigrants communities.

Famines in Africa in 1989 slightly altered this virtuous circle. NGOs, led by catholic organizations, which were committed to emergency activities in Africa applied for regional funds and thus forced the regional administration to partially reconsider its preferences within the foreign aid policy realm³⁴⁷.

³⁴⁷ This is even more evident if we take a look to the way in which the agenda of international development is included in the decrees regulating Basque foreign aid. As noted by all the informants, the commitment of the Basque administration to a specific development program was rather weak. References to a development agenda in the decrees for the period 1988-1990 are rather elusive and in some cases even contradictory. As we have already seen, NGOs had been able to put forward a development agenda structured along a strict separation of international development from politics and institutions, transforming international co-operation

II.4.3 Basque international co-operation and the debate on the capacity of constituent units to go abroad.

As we have said before, the capacities of the Autonomous Communities to act internationally was an important issue during the debate on the decentralization process of the eighties and nineties.

During the constitutional debate the Basque Group in the Parliament had proposed an amendment to the provisional constitutional text by which the regional governments would have the capacity to establish international treaties in those areas in which the regional governments would have normative capacities. What is more, the amendment included a 'right of audience' in favour of regional governments in the event of an international agreement that would specifically affect them.

Nevertheless, the constitutional commission adopted a rigid view whereby the realm of international relations was exclusively reserved to the State³⁴⁸. This restrictive interpretation of the entitlement to act internationally was further confirmed by the Constitutional Court.

The Constitutional Court began to settle doctrine in a number of Sentences in 1985 and 1988 referred to activities which implied certain international projection of the autonomous communities (international trade, implementation of European law). Yet, the first doctrinal stand on international activities of the autonomous communities was established in a sentence in 1989, where it is stated that *'the treaty-making power belonged exclusively to*

in social enterprise. Regional administration pasted these principles in the first co-operation decrees alongside the reference to the Diaspora.

Basque administration summarized NGOs claims in two major points. In first place, the Basque administration committed to fund initiatives from NGOs located in the Basque territory. This implied an implicit recognition of the relevant role that NGOs were to play in the incipient policy. What is more, Basque NGOs were the only actors allowed to apply for funds for international co-operation activities. Thus, Basque administration recognized the leading role of organizations in the civil society. Finally, ensuring NGOs a proposal capacity and the implementation of projects without any distorting intervention from the administration, acknowledged NGOs claims for more participatory and transparent development schemes. In second place, the Basque administration emphasised the principle of non-inference in the recipient country's internal affairs. They concentrate on projects related to the most immediate economic needs of the recipient societies, thus trying to separate development aid from international politics, as it has been claimed by NGOs. The incorporation of NGOs international co-operation agenda confirmed the leading role that NGOs had in this early phase of Basque international co-operation policy.

³⁴⁸ See Rafael Bustos Gisbert 1996: *'Relaciones internacionales y comunidades autónomas'* Madrid: Centro de Estudios Constitucionales. pp. 48-57

*the State, which was the only institutional layer entitled to sign-up and enforce international treaties and agreements*³⁴⁹. Moreover, the same sentence clearly declares that, *'the international activities reserved to the State via art. 149.1.3 of the Spanish Constitution, cannot be interpreted restrictively but extensively, therefore, including all social, political and economic activities that have an international dimension'*³⁵⁰.

The regional administration was aware of the consequences that an international co-operation policy scheme from the part of a regional government would have for the structure of centre-periphery relations in this constitutional framework. As expressed in a letter sent by one member of the Basque Parliament to the Coordinator of NGOs in 1988, *'the legal formula chosen by the Basque administration should avoid any interference from the central administration, since the program will be defined as subsidies to NGOs to develop international co-operation activities'*³⁵¹.

This way of defining the policy shows that Basque politicians were aware of the need for an institutional shortcut to overcome the State's intervention. Furthermore, it is clear from the tone of the letter that for the Basque Administration, the policy at stake meant far more than merely subsidies to NGOs.

This perception is confirmed by the words of an informant from the regional administration, who, when evaluating Basque engagement in development co-operation in 1988, stated: *'the problem was that there was a high degree of uncertainty about the real possibilities of the decentralization model established by the Spanish Constitution. Therefore, we tried to push it as far as we could, seeking for innovative ways of approaching the international realm as a means of pushing forward our own political autonomy'*³⁵².

³⁴⁹ See STC 137/1989 de 10 de Agosto de 1989

³⁵⁰ *Idem*.

³⁵¹ Letter from Manuel Eguiagaray to the Coordinadora de ONGDS de Euskadi. Quoted in Organizaciones No Gubernamentales 1988: *'Norte y Sur: Un futuro común'* (*op.cit.*)

³⁵² Interview with Jose María Muñoa, Secretario de Acción Exterior del Gobierno Vasco. (cited)

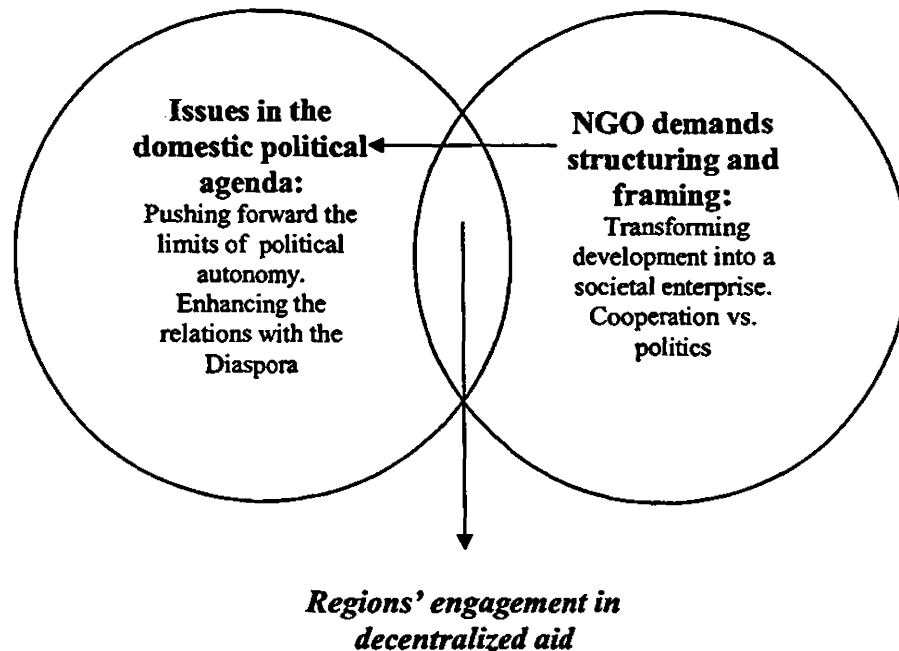
II.5. Basque foreign aid 1988-1990.

The structuring of foreign aid policies for the period 1988-1990, is a complex process in which a highly structured social demand came up against an institutional structure trapped in the uncertainties of the early phases of autonomous government. This permitted NGOs to take the lead in the process of foreign aid provision, not only at the level of implementation, but also in the decision-making phase. Regional government had an eminently reactive role. As we have seen, it was not able to mobilize the symbolic value of the relations with Basque emigrants communities beyond the limits of the NGOs' perception of this process.

Conversely, regarding issues of inter-institutional relations the regional government was able to overcome a predictable reaction from the part of the central government, structuring the response to NGOs' demands in a way that could not be attacked by the State.

The figure below represents the response of the Basque administration to demands of the NGOs as the combination of two major agendas.

Figure 10: Demand structuring and regional political agenda.



First, as demanded by NGOs regional response consisted of a structured program of funds destined to favour co-operation activities, rather than a symbolic disbursement as had been

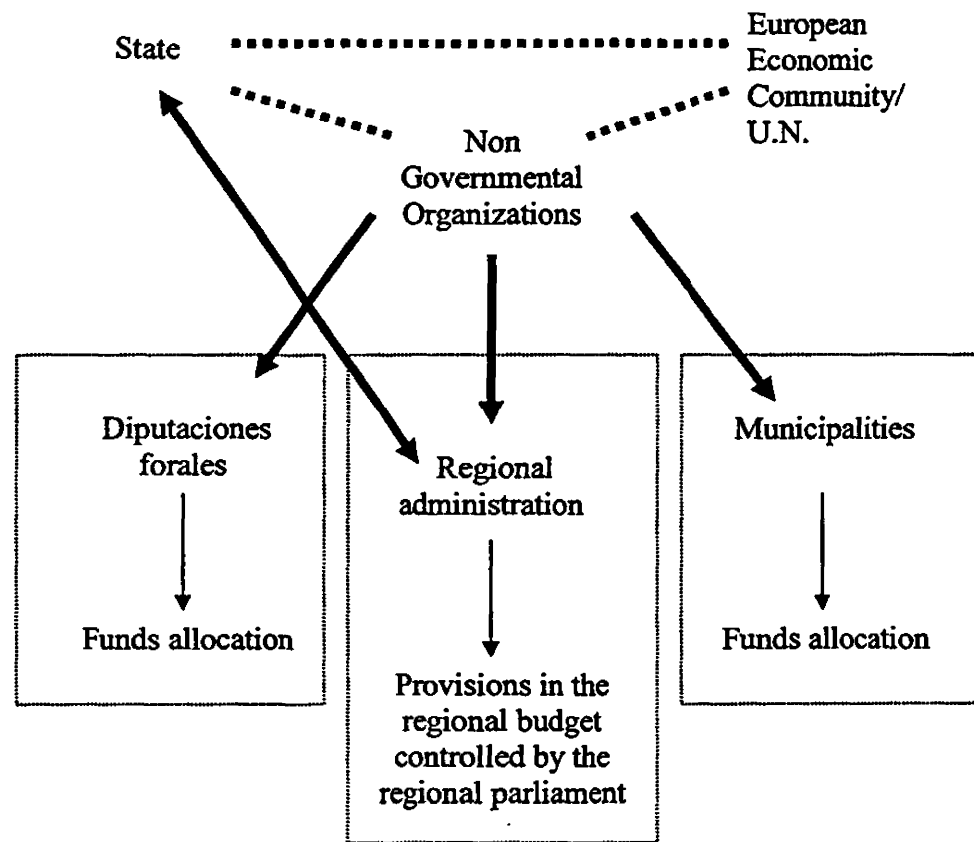
the case in 1985. This program was mostly structured along the needs expressed by NGOs, such as the enhancement of the participation of NGOs in the international co-operation system and the separation of the co-operation program from any kind of political intervention in the recipient communities (both because of NGOs' capacity to spread their message and due to the regional administration's lack of knowledge of the realm of international aid for development).

Second, the Basque administration managed to encompass its incipient efforts in the international aid realm, and the respect for NGOs' demands with the approximation to the Basque *Diaspora*. Yet, as we have seen in previous sections, this was done through a major change in the symbolic role played by emigrant communities. The *Diaspora* was de-consecrated as a political symbol and had come to represent a broader set of social exchanges. The value attached to the *Diaspora* went beyond the political meaning attached to it in the early phases of the Nationalists project of construction of the Basque community. On top of that, Basque administration co-ordinated aid efforts with a process of enhancing regional autonomy in a context of high institutional uncertainty.

As is represented in figure 9 (below), the immediate result of NGOs' mobilization in 1988 is the constitution of three different foreign aid policies. The funds allocated by the Diputaciones forales co-existed with the regional budgetary provisions and the aid initiatives of a number of municipalities. These three systems were independent from each other.

As for the case of supply structuring at the regional level, two actors play a significant role in 1988. First, NGOs had an important impact on the policy definition process. They ensured themselves a dominant role in the definition of policy priorities as well as exclusive functions in the implementation process. Second, the state was perceived as playing a negative or limiting role. In 1988 the constitution limited severely the region's capacities to act internationally. The constitutional framework pushed the Basque administration to find a legal short cut to bypass the restrictive legal framework established by the Spanish constitution, and the doctrine of the Constitutional Court. As we have seen, Basque administration's legal definition of the international cooperation program as *subsidies to NGOs* sought to limit the state's capacity for inference.

Figure 11: Supply structuring process 1988-1990.



On top of that, a highly underdeveloped international co-operation policy and the lack of an adequate legal framework at national level, generated a high level of institutional uncertainty. Even if it was clear that international co-operation had important implications for the development of Spanish foreign relations, the lack of development of Spanish international co-operation, opened room for the initiatives of other institutional tiers.

European institutions do not play a significant role in the supply structuring process. The evidence collected demonstrates how regional administration was unaware of the existence of a favorable normative framework for the development of decentralized co-operation activities at a European level. At this stage, the impact of the EEC legal framework is reduced to the phase of demand structuring and, in any case, it is always mediated by NGOs, as we have seen when analyzing the process of demand structuring, or the State. This is represented in figure 9 by the dotted line.

III. 1990-1998: The road to policy institutionalisation.

By 1990, international co-operation policy in the Basque Country was far from being other than an interesting political experiment. The Basque international aid program lacked the necessary institutional structure to operate properly. As a consequence, the relations between the NGOs and the regional institutions operated in a context of uncertainty.

The first years of the period 1990-1998 witnessed the institutionalisation of the Basque international aid system. During this process the Basque Government would try to attract, beside organizations, the participation of other institutions (provinces and municipalities). The Basque government soon succeeded in creating an institutional structure, starting immediately a process of reform destined to concentrate decisional capacities in the hands of the recently created Foreign Affairs Secretariat.

Yet, from 1995 to 1998 the path taken by the regional administration in the process of policy institutionalisation would be contested by the NGOs, leading to a major crisis in the international aid system. As we will see in the following sections, the Basque government, rather than being weakened by this crisis, reinforced its position as dominant actor in the international aid realm.

As a result of all these changes, international aid would be reinterpreted. From 1998 the Basque Country would put forward a much more elaborated discourse on the origins of and the motivations for international aid policies.

III.1 1990 A second phase of Basque foreign relations

As Armiño and Mendia have pointed out, '*1990 witnessed the beginning of a second phase in Basque Government projection abroad*'³⁵³. This phase is characterized by four main features. First, it is more oriented towards Europe than the previous phase. Second, it is structured along the idea that the full implementation of Basque political autonomy required the projection of self-government abroad. As Ithurralde has argued, from 1990, Basque international projection was structured along the idea that the future of the Basque country was intrinsically related to its international projection and to its will to be

³⁵³ See Karlos Perez de Armiño and Irantzu Mendia: '*Las comunidades autónomas españolas y América Latina: Una nueva dimensión de la conexión iberoamericana. El país vasco.*' (op. cit.) p. 13

protagonist within the process of European construction³⁵⁴. Second, the emphasis put by the Basque regional administration on the development of a foreign policy profile, resulted in a process of increasing institutionalisation, as well as a re-definition of policy priorities. Third, it takes place in a context of political distension among nationalist and non-nationalist forces in the Basque Country. As we have said before, from 1990 to 1998, governing coalitions included the Socialist Party and the Basque Nationalist Party.

The only exception to this rule occurred in 1990-91 when the governing coalition included only nationalist forces, PNV, Euskadiko Eskerra and Eusko Alkartasuna. The nationalist coalition experiment lasted only one year Eusko Alkartasuna co-operated with Herri Batasuna (radical left-wing nationalist party and political strand of the terrorist group ETA) in a campaign in favor of Basque self-determination at the local level. As a consequence Eusko Alkartasuna was expelled from the governing coalition and substituted by the Socialist Party. According to Eliseo Aja, the Basque Nationalist party followed during these years a pragmatic path in the consolidation of autonomy and self-government, pushing their political autonomy within the frame established by the Spanish Constitution³⁵⁵.

Fourth, as we have seen before, the attitude State's towards the region's engagement in foreign policy activities had relaxed considerably between 1989 and 1991 as a result of two sentences of the Constitutional Court, which acknowledged that the State can not use the general competency of international relations to freeze every single regional initiative in the promotion of their cultural identity³⁵⁶. Following this doctrine the Constitutional Court asserted in 1993, the right of the Basque Country, and therefore of all the Autonomous Communities, to open a representation office in Brussels, validating ex post facto the agenda of Basque country's internationalization³⁵⁷.

The Court claimed for a non-restrictive interpretation of the entitlement to act internationally. To this extent, the Court differentiated between the nucleus of international relations and other international activities with an international dimension. The nucleus of

³⁵⁴ See Marianick Ithurralde 2002: *'Le Pays Basque, la Catalogne et l'Europe: Stratégies politiques des Autonomies basque et catalane'* Paris : L'Harmattan p. 192.

³⁵⁵ See Elisea Aja 2003: *'El Estado Autonómico: Federalismo y hechos diferenciales'* (op. cit.) p. 298-299.

³⁵⁶ See STC 153/1989 de 7 de Noviembre de 1989 and STC 17/1991 de 25 de Febrero de 1991

³⁵⁷ See STC 165/1994. de 25 de Junio de 1994

international relations would be composed mainly by the *ius ad tractatum* and the *ius contrahendi*, that is the possibility of signing treaties and agreements with other subjects of international law (International organizations and independent states) and the right to acquire international obligations vis-à-vis those subjects. The so called 'soft core' would include promotion activities and institutional contacts as well as what the legal doctrine has labeled as 'political acts' whenever they respect the limits imposed by the responsibilities reserved to the State. International aid for development fell into the latter category, that of the 'political acts'. Those acts does not require an explicit legal entitlement, only they should respect, as the Spanish Supreme Court stated in a decision in 1988, the limits established by the State's international activities³⁵⁸.

All these elements can be perceived in the political programs of the coalition in office for the period 1990-1998. In 1990, during the plenary session of the Basque parliament for the election of the regional president, the former president and candidate José Antonio Ardanza, in his address to the regional parliament, defined the creation of the European common market and the process of furthering European political unity as the most important political challenges for the forthcoming term. Europe was perceived as a political space for further development of Basque political autonomy. Yet, according to Ardanza, regional sensitivities needed to be better represented in the European context.

The political program of the governing coalition included a number of foreign policy initiatives designed to tackle the risks and opportunities of the process of European integration and the development of regional autonomy. Among others, these initiatives included the alignment with other regionalists forces in Europe; pressurising both the Spanish and the European institutions for better institutional recognition of the regional tier at the European level; increasing the schemes of co-operation with other European regions; establishing a permanent representatives office in Brussels to facilitate the participation of the region in European policy-making³⁵⁹.

In 1994, in a new address to the regional parliament as a candidate for Lehendakari from the Basque Nationalist Party, José Antonio Ardanza, insisted on the link between regional

³⁵⁸ See Sentencia de la Sala de lo Contencioso Administrativo de Las Palmas de Gran Canaria. 18 de Septiembre de 1987 and Sentencia del Tribunal Supremo de 10 de Noviembre de 1988.

³⁵⁹ See *Diario de Sesiones del Parlamento Vasco*. IV Legislatura Num. 4. pp. 7, 11, 16-18

projection abroad and regional self-government. The internationalisation of the region included three main dimensions. First and foremost, the Basque government emphasises the process of internationalisation of Basque economy. This included promoting foreign investment in the region, but also, promoting Basque enterprises abroad. Ardanza's discourse in the regional parliament was clear when it asserted that the regional government would develop a strategic plan for the promotion of Basque foreign trade. This plan included the utilisation of all the foreign policy instruments at hand in order to encourage Basque entrepreneurial sector projection abroad. Special reference is made to the favourable impact that entrepreneurs participation in international aid schemes might have on the promotion of Basque industries in underdeveloped countries³⁶⁰.

The second dimension, recognized the relevance of the process of European integration, which was perceived as an opportunity for enhancing self-government, but also as a space for uncertainty.

Third, the discourse addressed the role of the Diaspora in the process of internationalisation. The Diaspora was not perceived as a passive source of legitimacy, but was defined as an active agent in the process of cultural, institutional and economic projection of the region, deepening the tendency to de-consecrate the role of the Diaspora in Basque politics

The implementation of this agenda resulted in an intense process of institutionalisation of Basque foreign policy. In 1990, the Basque government created the Secretariat of Foreign Affairs, so as to centralize the increasing international and European projection of the Basque government³⁶¹. As Ithurralde has pointed out, the Secretariat of Foreign Affairs, which initially was oriented towards the implementation of the European agenda of the Basque government, soon included the international co-operation policy and the relations with the Diaspora³⁶². These changes will be further analysed in the following sections.

³⁶⁰ See *Diario de Sesiones del Parlamento Vasco*. V Legislatura Num. 4. pp. 10 and 17.

³⁶¹ See *Decreto 15/1991 de 6 de Febrero, de creación, supresión y modificación de los Departamentos de la Administración de la Comunidad Autónoma del País Vasco y de determinación de funciones y áreas de actuación de los mismos, disposición transitoria tercera*. B.O.P.V no. 29 ZK, Jueves 7 de Febrero de 1991.p 1358.

³⁶² See Marianick Ithurralde 2002: '*Le Pays Basque, la Catalogne et l'Europe: Stratégies politiques des Autonomies basque et catalane*' (op. cit.) p. 192.

III.2 Changing the nature of Basque international aid for development? Efficiency, visibility and the early stages of policy institutionalisation.

The Basque regional administration began to institutionalise international aid policy in 1990. The main instrument was the FOCAD (Development Assistance and Cooperation Fund), a fund established together with the three Basque provinces (*Diputaciones forales*). The Regional Government was the major contributor; it provided 50% of the total amount, whereas the three *Diputaciones* together provided for the other 50%.

In order to administrate the fund a special commission was established. The *Comisión Gestora* was initially composed by members of the Regional Government, the Commission on Human Rights of the Basque Parliament and a representative of each historical territory (*Diputaciones*)³⁶³.

The *Comisión Gestora* enjoyed important political functions, among others, the design of the policy criteria, the coordination and analysis of the projects, the distribution of resources among the different projects proposed and the control of the implementation phase.

According to the text of the decree 18/1990, the main scope of the FOCAD and the *Comisión Gestora* was to put together the efforts of different institutions in the Basque Country. As it is stated '*the traditional solidarity efforts to which the Basque People has historically been committed, had been reproduced in the different co-operation programs that the Basque government, as well as the Diputaciones Forales and local governments, had developed. After an initial stage in which those programs had been implemented individually but co-ordinately, it is now necessary to integrate them in a unique fund as to manage more efficiently the resources at hand*'³⁶⁴.

As we have seen, in 1990 there was a multiplicity of donors the Basque Country. According to one informant, at this point, a process of progressive centralization of the management of aid funds begun³⁶⁵.

³⁶³ See Decreto 18/1990 de 30 de Enero por el que se crea la Comisión Gestora del Fondo para la Cooperación y Ayuda al Desarrollo del Tercer Mundo y la Comisión Técnica de Apoyo y Asistencia a la misma. B.O.P.V. no. 34. 15 de Febrero de 1990 pp. 1074-1076.

³⁶⁴ *Idem.*

³⁶⁵ Interview with Alfonso Dubois (cited)

He argued that, the benefits of engaging in foreign aid policies could not easily be reconciled with an efficient management of the resources, since this implied that some actors would enlarge their role while others would simply fade away. Institutions were reluctant to loose the recently gained visibility among constituencies. In fact, as he further argued, despite the constitution of the FOCAD, both provincial and local administrations kept their own international aid programs.

The establishment of the Autonomous Communities system introduced regional institutions into a centralized political system which traditionally has been divided into provinces and municipalities. It has been argued elsewhere that whereas the implementation of the constitutional provisions favoured decentralization from State to the regional level, it re-concentrated power and resources in regional institutions, drying the local and provincial levels out of capacities³⁶⁶.

The case of the Basque Country is different. The *Diputaciones forales*, thanks to their special constitutional status, enjoy a wider range of political functions and economic resources than any other province in Spain. What is more the *Diputaciones* have a longer historical pedigree vis-à-vis the regional government, which was established in the twentieth century³⁶⁷. The Basque-country operates internally as a quasi-federation of historical territories in which the *Diputaciones forales* enjoy important functions.

As we have said before, NGOs put demands in front of all the institutional tiers. The regional government, the *Diputaciones forales* and municipalities implemented diverse political responses to those demands. Yet, the way in which this response was perceived differed radically from one institutional level to the other. Whereas, for the regional government, NGOs mobilization opened an opportunity structure to push forward the limits

³⁶⁶ See Eliseo Aja: 'Spain: Nations, Nationalities and Regions' in John Loughlin (ed.) 2001: '*Subnational Democracy in the European Union*' Oxford: Oxford University Press pp. 239-240

³⁶⁷ See Luis Elicegui Mendizábal: 'Las instituciones forales' in AA.VV. 1991: '*Estudios sobre el Estatuto de Autonomía del País Vasco: Actas de las II^{as} Jornadas de Estudio sobre el Estatuto de Autonomía celebradas en Donosita-San Sebastián los días 11,12,13 y 14 de diciembre de 1990. Vol. III El sistema institucional*' Oñati: Instituto Vasco de Administración Pública. pp. 1463-500 and Eliseo Aja 2003: '*El Estado Autonomico: Federalismo y hechos diferenciales*' (op. cit.) pp. 195-196

of Basque political autonomy, for provincial and local authorities the issues at stake were related to political visibility and ad intra political action³⁶⁸.

Observers have pointed to a trade-off between visibility and efficiency in the configuration of the Basque system of international co-operation. Whereas, according to the efficiency criteria, aid efforts should be unified in order to improve the implementation of aid programs, the visibility criteria put differentiation at the centre of the stage, in a political context in which foreign aid had gained saliency among constituencies.

The way in which different institutions within the Basque Country dealt with the political implications of the above mentioned trade-offs is an indicator of the impact that the visibility criteria had for these institutions. Whereas, for provincial institutions, due to the important powers they enjoy, visibility was not a pressing issue in the political agenda, for local institutions, differentiating their political response to constituencies demands on international co-operation issues, from that of other tiers of government, implied an extra-injection of visibility that could not be easily sacrificed in the altar of efficiency³⁶⁹.

Increasing interest from the part of regional institutions in the construction of an international profile implied the institutionalisation of the regional foreign aid system. The *Diputaciones forales*, which controlled important economic resources in the Basque Country, could override the trade-off between efficiency and visibility, co-operating within regionally dominated structures, such as the FOCAD, while maintaining their own aid programs.

Conversely, the trade-off between efficiency and visibility was much more demanding for municipalities. Municipalities could allocate a very limited amount of funds, as subsidies to NGOs. Making the most out of them implied that local governments had to remain visible vis-à-vis local NGOs and other institutional tiers. Thus, this limited local governments capacity of participating in broader co-operation schemes such as the FOCAD.

³⁶⁸ This hypothesis is confirmed in the analysis of the decrees regulating aid activities at the provincial and local level. The documents from the three *Diputaciones forales* as well as those of the major city councils (Vitoria, Bilbao and San Sebastian) show how both institutional tiers structured the political discourse along the lines of NGOs normative claims analyzed in previous sections, whereas there are no explicit or implicit references to other political issues, such as relations with the recipient countries, relations with emigrant communities or the identity of the territories.

³⁶⁹ See Interview with Alfonso Dubois (cited)

As a result, the situation of international co-operation in the Basque Country from 1991 up to 2000 would be the following. First, an overarching program, structured along the FOCAD, which included the regional government and the *Diputaciones forales*. This program, controlled by the regional government which was the major partner, progressively gained saliency (so much so that generally speaking it has been identified with Basque Country's international co-operation). Second, at the provincial level the *Diputaciones forales*, despite their contribution to the FOCAD continued to implement their own schemes of subsidies to NGOs. Third, the local level, municipalities, which remained outside the FOCAD, maintained their own subsidies for international co-operation.

From 1991 onwards, the Basque Government's role as the major aid donor within the FOCAD system, allowed it to progressively re-define the administrative structure in charge of international aid, making it more and more dependant on the Foreign Affairs Secretariat, the 'Foreign affairs ministry' of the Basque government. The next sections will illustrate this process in more detail³⁷⁰.

III.3 1991-1996: Asserting the centrality of Basque government.

As we have said before, from 1991 the Basque Government put international co-operation increasingly in the hands of the Foreign Affairs Secretariat. This was done basically through a number of modifications that would progressively reduce the independence and the decisional capacities of the *Comisión Gestora* vis-à-vis the regional government.

The first of these modifications took place in 1991. As stated in the Decree 411/1991³⁷¹, broader reform of the Basque administration compelled an adaptation of the structure designed in 1990 to implement decentralized aid. More specifically, changes implied the participation in the *Comisión Gestora* of the Directorate for Relations with the Diaspora and International Co-operation, as a representative of the Secretariat of Foreign Affairs.

³⁷⁰ It is worth noting that 1990 establishes the landmark for further evolutions of the Basque international aid system. Basque government international aid evolves from an initial phase in which, the policy can be defined mostly as a subsidising activity, towards a more institutionalised structure of implementation, thus plainly entering the realm of international politics. To this respect, the decrees we have just analysed represent the constitutive moment for the Basque system of international co-operation.

³⁷¹ See Decreto 411/1991 de 9 de Julio de modificación del decreto por el que se crea la Comisión Gestora del Fondo para la Cooperación y Ayuda al Desarrollo del Tercer Mundo y la Comisión Técnica de Apoyo y Asistencia a la misma. B.O.P.V. no. 152 Julio 1991 pp. 6041-6042.

This reform allowed the Basque administration to extend control over the works of the *Comisión Gestora*, as well as helping to ensure further co-ordination with the rest of the international activities of the Basque administration, mostly the co-ordination of international aid and the relations with the Diaspora, since both activities were directed by the same person.

Yet, the *Comisión Gestora* kept its most important functions unaltered, remaining the most important organ in the definition of Basque international co-operation policy. Indeed, it can be said that up to this moment the *Comisión Gestora* remained a separate organ from the administrative structure of both the Basque Administration and the *Diputaciones Forales*³⁷².

The second reform affecting the *Comisión Gestora* took place in 1995 when the Basque government decided to split the Directorate for relations with the Diaspora and international co-operation, into two different organs³⁷³; one concerned with the relations with the Diaspora and the other in charge of the international development co-operation policy. The specific competencies of the Directorate for Development Cooperation were defined as follows³⁷⁴:

- Definition, coordination and implementation of assistance projects in the following areas: economic development, culture and R&D.
- Realisation of different initiatives of cooperation with other public and private organisms inside and outside the Basque Country.
- Promotion and formation of specialized staff in international co-operation for development.
- Promotion of coordination among different institutional layers.
- Design of instruments to improve policy efficiency.

³⁷² See José Tomás Carpi, Luis Fernando Colomer Queipo and Lucía Irusta Aguirre 1997: '*La cooperación descentralizada al desarrollo desde los gobiernos regionales y locales*' Valencia: Agencia Española de Cooperación Internacional pp. 98-103

³⁷³ See Decreto 305/1995 de 20 de Junio por el que se establece la estructura orgánica y funcional de la Presidencia del Gobierno-Lehendakaritza. B.O.P.V. no. 132 12 de Julio de 1995 pp. 8204-8214.

³⁷⁴ See Jose Antonio Alonso 1998: '*Sistema vasco de cooperación al desarrollo: Diagnóstico y propuestas*' (op.cit)

- Elaboration of the proposal for the decree regulating regional aid for cooperation.
- Implementation of the approved decree.

The formal separation helped to further clarify, at least at the institutional level, the distinction between international co-operation and relations with the Diaspora, which, up to that moment, had been difficult to define in terms of institutional design and political will.

At the same time, the decree 223/1995 further extended the position of dominance of the Foreign Affairs Secretariat with respect to the *Comisión Gestora*, since it reduced most of its functions to consultancy and proposal capacities, thus reserving the final decision to the Foreign Affairs Secretariat, and more specifically to the Directorate of International co-operation³⁷⁵.

This evolution is further confirmed when the decree 57/1996 introduces the figure of the perceptive report of the Directorate of International Co-operation. According to the document, the *Comisión Gestora*, before proposing the distribution of funds among the projects presented, should attend the report of the Director of international co-operation. Through this report the Directorate of Development co-operation, and indirectly the Secretariat of Foreign Affairs, would have an input into the deliberative process, settling the major priorities on which to base the distribution of funds.

However, it should be noted that the process of concentrating the international activities of the Basque administration, and therefore international co-operation, in the hands of a single organism was not as straightforward as it might seem from the analysis of legal documents.

Parties of the governing coalition raised up strong criticism on the way in which the Basque Nationalist party was using the Secretariat of Foreign Affairs for its own political purposes. The debate was specially strong between the Basque Nationalist Party and the Socialist Party.

In 1992 the Socialist Party controlled the regional ministry of Trade, Tourism and Consumption. The activities of this ministry had an obvious international dimension, since

³⁷⁵ See Decreto 233/1995, de 11 de abril, por el que se regula la *Comisión Gestora del Fondo para la Cooperación y Ayuda al Desarrollo del Tercer Mundo y la Comisión Técnica de Apoyo y Asistencia a la misma*. B.O.P.V no. 90 Mayo 1995 pp. 5265-5267.

they relied on the capacity of the ministry to promote the Basque Country abroad in order to attract tourism to the region, or to develop an strategy of internationalisation of the Basque productive sector, in order to enhance the regional balance of trade.

The conflict arises, when the ministry of Trade, Tourism and Consumption noted that important activities of economic promotion of the region were undertaken by the Foreign Affairs Secretariat and the Lehendakari. According to Rosa Díez, minister of Tourism, Trade and Consumption by that time, this implied that the activities of her ministry would be somehow conditioned by the political agenda of the Basque Nationalist Party and the Foreign Affairs Secretariat.

At the same time, the Foreign Affairs Secretariat claimed that, the many of the activities developed by the regional ministry of Trade, Tourism and Consumption, were not coordinated with the rest of the foreign activities of the Basque Government, thus, in order to keep the unity of Basque foreign projection, it would be advisable that only one ministry should have the capacity to implement all the activities which implied foreign projection.

Yet, the socialists counter argued that trying to centralize all regional activities with an international dimension in a single regional ministry implied *de facto* to empty out the Ministry of Trade, Tourism and Consumption of a significant part of its most important functions, and accused the Basque Nationalist Party of trying politicise the foreign projection of the region. The crisis reach to the top when the parliamentary group of the Socialist Party, together with other parties from the opposition questioned in the Regional Parliament the foreign activities of the Lehendakaritza.

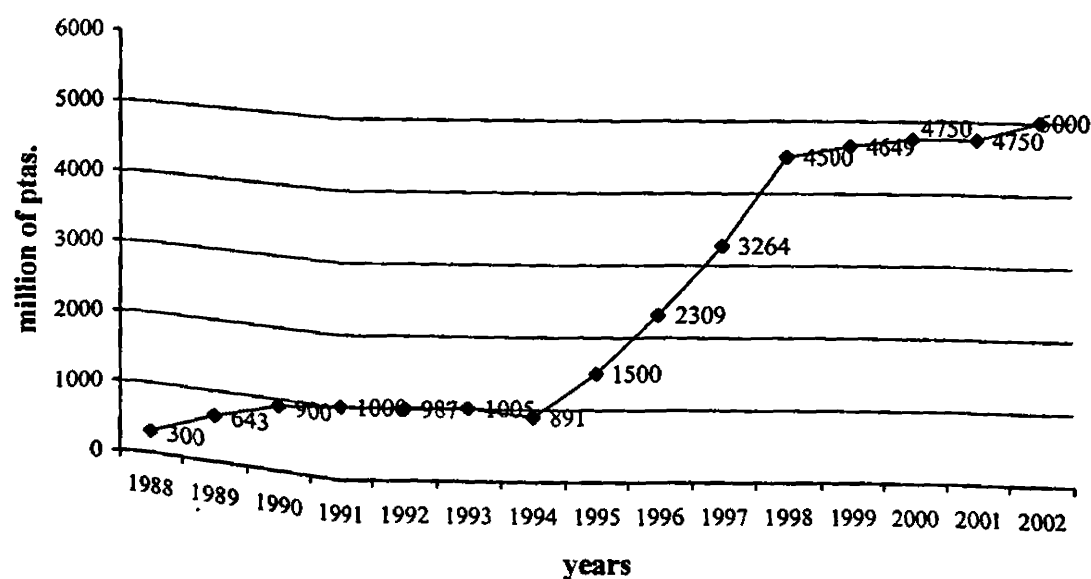
The crisis was overcome in 1993 by the creation of a special Coordination Unit in which all the Ministries of the Basque Government were represented. The creation of the Coordination Unit ease the relationships between the coalition partners, since it provided for an institutional space where the different ministries could discuss specific policy strategies and settle policy priorities for a number of activities, specially those related to the promotion of the Basque Country abroad.

III.4 1996-1998: A Revival of NGOs? Mobilization and crisis in Basque development co-operation.

The period 1996-1998 witnessed a remarkable increase in the amount of funds allocated by the Basque government and the *Diputaciones Forales* to decentralized aid for development schemes. As shown in the figure below, from 1996 to 1998 the total amount of funds grew steadily in this period, increasing from 2309 to 4500 million ptas. This progressive increase had already started in 1994. The period 1996-1999, witnessed the consolidation of this trend.

However, 1996-1998 was also a period of turbulences for Basque international development co-operation policy. These turbulences affected the relationship between the Basque Government and NGOs and were the result of NGOs' negative reaction to a new decree of the Basque administration which granted access to public funds for business associations in the Basque Country.

Figure 12: Evolution of total expenditure 1988-2002



Source: Basque Government, Directorate of Development Cooperation and AECL.

III.4.1 Allowing for other actor's participation. The link between foreign aid and the promotion of Basque entrepreneurial sector in underdeveloped countries.

The decree 58/1996³⁷⁶, in its article 2, granted other actors such as Universities, professional associations, co-operatives and business associations, the right to access public funds to develop international co-operation activities. The second paragraph of art. 2 stated that in every case these juridical persons should use regional funds to develop non-profit activities. This was interpreted as an step forward in the process of institutionalising a real international co-operation system. In the words of Josu Legarreta, '[the inclusion of non-NGOs actors] was inspired by the idea that the diversity and the complexity of the problems of the South implied the participation of different social agents'³⁷⁷.

For the regional administration, making room for the participation of other actors was interpreted as a way of enhancing the competition among actors, thus avoiding the perils of NGOs' monopolization of regional funds. In the words of an informant from the regional administration, '*NGOs had tried to create an specific sphere for action through the monopolization of regional funds. This voracity can be understood in terms of the very necessities of NGOs as organizations*'³⁷⁸.

Nevertheless, as shown in the table on funds distribution among different partners, local enterprises and co-operatives had already been included in 1991 and 1992³⁷⁹. We have to wait until 1993 to find an explicit reference in the regional decrees to the participation of public entities and co-operatives³⁸⁰. This formal recognition coincides with an increment of

³⁷⁶ See Decreto 58/1996 de 26 de Marzo por el que se regulan y convocan las ayudas a proyectos con cargo al FOCAD para la Cooperación y Ayuda al desarrollo para 1996. B.O.P.V. no. 7 2 Abril 1996 pp. 6245-6361.

³⁷⁷ See Legarreta, Josu: 'La cooperación pública Vasca'; *Revista Española de Desarrollo y Cooperación*. No.3. 1998. p. 102.

³⁷⁸ Interview with José María Muñoa (cited)

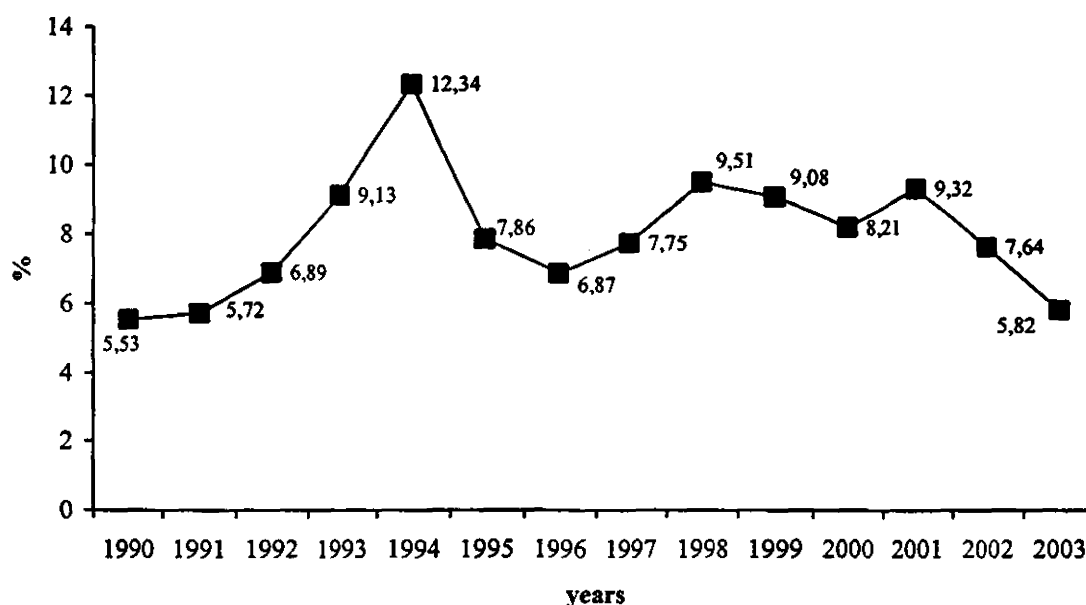
³⁷⁹ However, these actors were not officially recognized as partners. See Decreto 352/1991 de 28 de Mayo por el que se regulan las ayudas para la cooperación y el desarrollo para 1991. B.O.P.V. no.115 Junio de 1991 and Decreto 74/1992, de 31 de Marzo, por el que se regulan las ayudas para la cooperación y el desarrollo para 1992. B.O.P.V. no.78 Abril de 1992.

³⁸⁰ See Decreto 57/1993 de 2 de Marzo, por el que se regulan las ayudas para la cooperación y el desarrollo para 1993. B.O.P.V. no. 65 Abril de 1993 pp. 2835-2876.

the amount of aid channelled through these partners, but it did not imply a dramatic increment in the number of non-NGO partners involved³⁸¹.

As we have seen before, in the debate for the election of the regional president on the 29th December 1994, the candidate José Antonio Ardanza stated that his government would utilize all the foreign policy instruments at hand to promote the internationalisation of the Basque economy. Furthermore, the Basque administration would promote the participation of Basque enterprises in Basque international co-operation as a means of encompassing the humanitarian objectives of international co-operation within mutually benefiting activities and the expansion of Basque enterprises in developing countries³⁸².

Figure 13: Evolution of exports to Latin America as a percentage of Basque Country total exports 1990-2003



Source: EUSTAT

³⁸¹ The 24,3% of the total expenditure was implemented through SAIOLAN S.L., which got funds for two different projects, one in Venezuela and the other one in Argentina in the same year. This means that the 72,9% of the total expenditure channelled through non-NGOs actors was destined to fund the projects presented by SAIOLAN S.L. See Secretaría de Acción Exterior del Gobierno Vasco, 1997: '*Memoria 1988-1997 Cooperación pública Vasca. Ayudas al tercer Mundo*' (op.cit.) p.132.

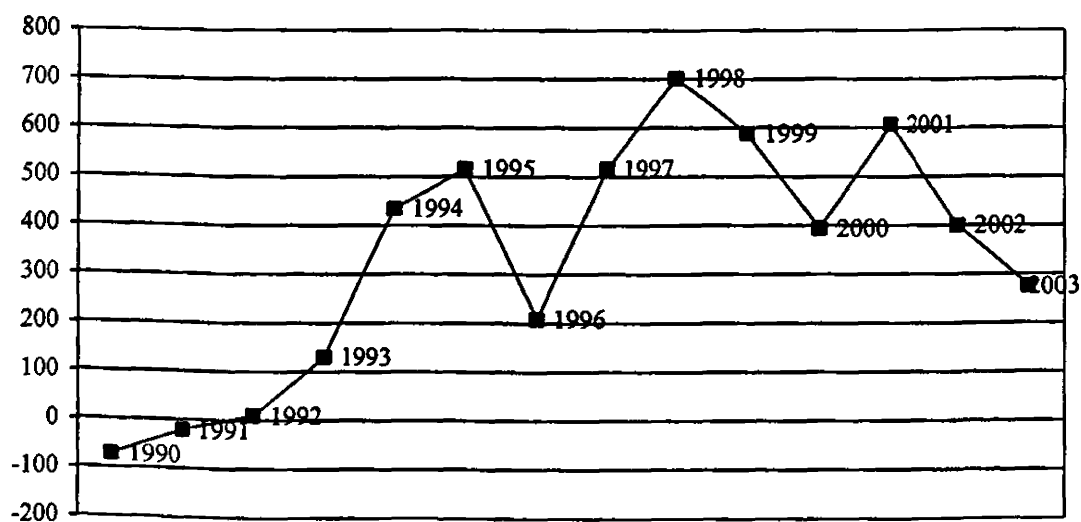
³⁸² See *Diario de Sesiones del Parlamento Vasco*. V Legislatura. No. 4 p.17 (op. cit.)

From 1990 to 1994 the volume of economic exchange between Latin America and the Basque Country had grown steadily. As it is shown in the graphic above, Basque exports to Latin America grew from approximately 5,53% of total exports in 1990 to 12,34% in 1994.

The increasing level of commercial exchanges between Basque Country and Latin America, which already by 1992 showed a positive balance of trade in favour of the Basque Country's export sector (see graphic below), pushed the Basque government to create an institutional structure that would help Basque enterprises to further penetrate Latin American markets.

First, the Basque Government together with the Euskal Etxeak/Casas Vascas (Basque Houses) established four Basque-American Institutes: the Basque-Argentinean Institute for Co-operation and Development, the Basque-Chilean Foundation for Co-operation and Development; The Basque-Venezuelan Institute for Co-operation Eguzki and the Basque-Mexican institute for Development³⁸³.

Figure 14: Evolution of the balance of trade between the Basque country and Latin America 1990-2003



Source: EUSTAT

³⁸³ See Karlos Pérez de Armiño and Irantxu Mendia: *'Las comunidades autónomas españolas y América Latina: Una nueva dimensión de la conexión iberoamericana. El país vasco'* (op.cit) p.16.

Ardanza's program for the expansion of Basque trade through the incorporation of the Basque entrepreneurial sector into the international co-operation system, announced in his address to the regional parliament by the end of 1994, was oriented towards furthering the intense economic relationship between Latin America and the Basque Country. Data for the years 1995-1998, shows a steady increase from 7'8% to 9,6% of total trade and an increasingly favourable balance of trade, which by 1998 mounted to 700 million euros, turning Latin America into the second most important market for Basque export sector.

Second, the entrepreneurial sector was introduced as an official partner of Basque international co-operation in the decree 58/1996. This produced an increase in the number of non-NGO partners, including not only cooperatives, but also Basque enterprises, Universities and public bodies such as the *Ente Vasco de la Energía* (Basque Entity for the Energy) and the Basque public Television (EITB). (See table below)

Table 3: Distribution of aid among different actors³⁸⁴.

	NGOs	Other actors	Education	Direct agreements	Emergency aid	Total
1988	95,7		4,3			100
1989	98,1		1,9			100
1990	96,5		1,3		2,2	100
1991	86,5	6,8	1,5		5,2	100
1992	85,7	4,8	0,3	4,1	5,1	100
1993	61,1	33,4	1,2		4,3	100
1994	87,1	6,1	1,4		5,4	100
1995	77,3	6,8	1,8	9	5,1	100
1996	60,4	20,3	2,4	11,9	5	100
1997	70,6	17,8	2,1	4,1	5,4	100
1998						
1999						
2000						
2001	76,88	13,38	9,74			100
2002	83,50	5,75	10,75			100

Sources: For the period 1988-1997 José Antonio Alonso 1998 (*op.cit*). For the period 2001-2002 Basque Government. Directorate of Development Cooperation, 2002: *Informe sobre la resolución de la convocatoria de ayudas a proyectos con cargo al FOCAD 2002* Vitoria-Gasteiz.

³⁸⁴ From the year 2001 onwards, the Basque governments changed the parameters, thus they classify the projects in three main categories. Those categories are Chapter I DNGOs; Chapter II Other actor; Chapter III Education for development. Emergency aid and Direct investments just disappear from public data-sets. In any case, the tendency of the Basque Government to distribute most of the aid among the DNGOs remains stable.

However, the analysis of the list of partners from 1996 up to 2002, demonstrates how the measures taken in the regional decree 58/1996 had little impact in the expansion of the entrepreneurial sector in Latin America or any other destination of Basque foreign aid. Most of the activities developed by entrepreneurs were undertaken by consulting enterprises and a handful of cooperatives. Overall, the degree of penetration through aid activities and the continuity of these activities in a broader time frame is very low. Out of the 720 projects financed by the FOCAD for the period 1996-2002 only 19 were implemented by enterprises or cooperatives.

Comparing different destinations, the implementation of aid projects through private sectors was numerically more important in Latin America than anywhere else. Fourteen out of 492 projects implemented in the area during this period (1996-2002) were undertaken by actors in the private sector. Yet, an important amount of the projects developed by enterprises or co-operatives were implemented in the Basque Country. Four out of fourteen projects implemented in the Basque Country from 1996 to 2002 were implemented by Basque cooperatives. These projects were mostly oriented to consulting and know-how promotion activities.

In summary, whereas Basque international co-operation didn't have a strong impact on the process of internationalisation of Basque enterprises, the introduction of the Basque entrepreneurial sector as a partner within the FOCAD system raised a wave of protests among the traditional partners of the regional administration, that would have further consequences in the overall configuration of Basque international aid.

III.4.2. A new wave of mobilizations. NGOs and Basque international co-operation 1996-1998.

The introduction of the entrepreneurial sector in the international co-operation realm represented, for Basque NGOs, an intolerable intervention of the logic of market economy into the realm of international solidarity. As an informant put it, we believed that the participation of business associations and co-operatives would turn international co-

operation policy, into an instrument of international economic policy, reducing Basque administration aid programs to service the needs of Basque enterprises³⁸⁵.

Thus, NGOs first reaction against the formal inclusion of business associations was to severe the relations with the Basque Government. In June 1996, they appeared in front of the Basque Parliament's commission on Human Rights to claim for a new public forum in which NGOs would have the opportunity to put forward their ideas, thus having a real input in the decision-making process, aside from proposing development projects. Furthermore, they denounced some irregularities that had taken place in previous years, concerning the allocation of funds for development co-operation³⁸⁶.

The situation by the end of 1996 had reached an impasse. Basque development co-operation had reached a critical point, where NGOs were against the way in which the Basque Government was shaping the international aid system, thus compromising the good relationship established between the latter and regional institutions since 1989. Moreover, the first corruption scandals started to appear compromising the public image of the whole system. In this situation the Basque Government decided once more to take note of part of NGOs' demands.

First, in 1998, after long negotiations, the Basque administration created the Advisory Council for Euskadi's Development co-operation. The scope of this council was '*to serve as a platform for deliberation and analysis*'³⁸⁷. The Council was composed of the members of the *Comisión Gestora*; one representative of the municipalities³⁸⁸; seven representatives of the NGOs; one representative of the Religious orders present in the Basque Country; two representatives of different sectors related to development issues. In addition a representative of the educational sector and of the micro-enterprises and cooperatives was included and finally, a representative of a developing country. The composition of the council was amended in the year 2000 to include one representative of the organisations

³⁸⁵ Interview with Iñaki Markiegui (cited).

³⁸⁶ See Ibarra et al. *Participation, public policies and democracy* (cited).

³⁸⁷ See *Decreto 53/1998 de 24 de Marzo por el que se crea el Consejo Asesor de Cooperación al Desarrollo de Euskadi*. B.O.P.V. no. 65 6 de Abril de 1998 pp. 5877-5881

³⁸⁸ The decree says explicitly one representative of EUDEL. EUDEL is the association of Basque municipalities. This institution is not integrated within the FEMP (Spanish federation of provinces and municipalities). It is worth noting that the Basque municipalities have developed their own cooperation fund Euskal Fondoak.

concerned with children care and gender issues³⁸⁹. The functions of the advisory council ranged from the definition of specific criteria for the political orientation of the decentralised aid policy, to the control of the Basque administration.

Second, the crisis of the public image of Basque co-operation was definitely overcome in December 1998, when the Public Finances Court of the Basque Country approved a report exonerating the Basque administration from detected irregularities in the implementation of some co-operation projects financed by the FOCAD in 1995 and 1996³⁹⁰. The crisis, which began in 1996 showed, to some extent, how important were still NGOs for the implementation of Basque's decentralized aid programs, as well as their capacity to exert pressure over institutions. Nonetheless, the way in which the crisis was finally overcome benefited the Basque government, reinforcing its dominant position in the realm of international cooperation.

NGOs voiced their objections against the inclusion of the entrepreneurial sector in the cooperation realm. Moreover, they pressed the regional administration to open a forum where it would be possible to work out new policy criteria. Finally, they forced a report from the Public Finances Court of the Basque Country on the use of funds destined for international co-operation. Yet, the impact of these measures had been less substantive than what has been asserted somewhere else³⁹¹.

First, despite NGOs' attitude towards business associations, the Basque administration continued to include them in the co-operation policy³⁹². Data for the years 1996 and 1997 show that the share of the funds received by business associations' was never comparable to that received by NGOs. However, the more generalist claims of NGOs' about the perils of including business associations as partners for international co-operation were never

³⁸⁹ See *Decreto 22/2000, de 1 de Febrero de modificación del Decreto por el que se crea el Consejo Asesor de Cooperación al Desarrollo de Euskadi*. B.O.P.V. no. 30 de 14 de Febrero de 2000 pp. 2721-2723

³⁹⁰ See '*Acuerdo del Pleno del Tribunal de Cuentas Públicas, de aprobación definitiva del informe sobre subvenciones a países en vías de desarrollo y a centros vascos adoptado el 1 de Diciembre de 1998*' B.O.P.V. no. 88 de miércoles 12 de Mayo de 1999 pp. 7476-7498.

³⁹¹ See Gomá, R., R. González, S.Marti, LL. Peláez, M.Truño, P.Ibarra M.J. Monteserín and A. Blas: 'Participation, Public policies and Democracy: International Solidarity and Anti-militarism in the Basque Country and Catalonia' (*op. cit.*)

³⁹² See for instance the art. 2 of the *Decreto 53/1997 de 18 de marzo, por el que se regulan y convocan ayudas a proyectos con cargo al Fondo para la Cooperación y Ayuda al Desarrollo para 1997*. B.O.P.V. no. 67 Abril 1997 p. 5726.

addressed by the regional administration, who, from 1996 onwards, included them regularly in the list of eligible partners.

Second, the creation of the Advisory Council, rather than weakening the position of the regional administration, served to enhance its dominant role in the international co-operation realm. The regional administration managed to re-incorporate NGOs into the decisional phase of the policy process, thus gaining part of the legitimacy lost in previous years whereas the real capacity of the council to exert control over the activities of the administration was very much restricted as a consequence of the way in which both, its competences and its composition, were defined.

Finally, the report of the Basque Country's Public Finances Court, due to the reduced scope of its analysis, did not resolve the problems of corruption denounced by NGOs. Conversely, the conclusions of the report accused some organizations of irregularities in the implementation of funds³⁹³.

III.5 1990-1998: Reconstructing the political discourse of international aid.

During the period 1990-1998, (more specifically from 1994 onwards) the Basque Government tried to revise the historical evolution of the policy in a number of documents. The first, the *Memoria de la Cooperación internacional 1988-1994*, which was updated in 1998 by the *Memoria de la Cooperación 1988-1997*, which consists of a historical reassessment of Basque international co-operation policy up to the date of publication. The second document is an article by the Director of International Co-operation for development of the Basque government, published in 1998 by the *Revista Española de Desarrollo y Cooperación* a well known publication within the Spanish development policy community.

These documents try to offer an all-encompassing picture of Basque international co-operation, as well as trying to offer a detailed account of the origins of Basque Country's

³⁹³ As it emerges from press articles of the time, the image of the regional administration was contested. The way in which allocation priorities are defined. What is more, NGOs are accused of diverting the funds for development co-operation into different activities.

international aid programs. To this respect the documents present the following commonalities.

First, both documents recognize the role of the mobilization NGOs' in the origin of decentralized aid for development. Yet, the interpretation of this phenomenon differs from what we have seen in previous sections. According to the *Memoria de la Cooperación Vasca*, '*responding to NGOs demands meant assuming the existing interrelation between institutions and civil society existing in democratic systems*'³⁹⁴. In this way the Basque government redefined international co-operation through new symbolic lenses. Evoking democracy, as an ideal relation between citizens and institutions, implies linking a specific policy outcome to general practices of good-government. That is, the document uses a procedural argument, that links the virtues of the procedure (open relationship between institutions and civil society) to the political outcome, further legitimizing the latter.

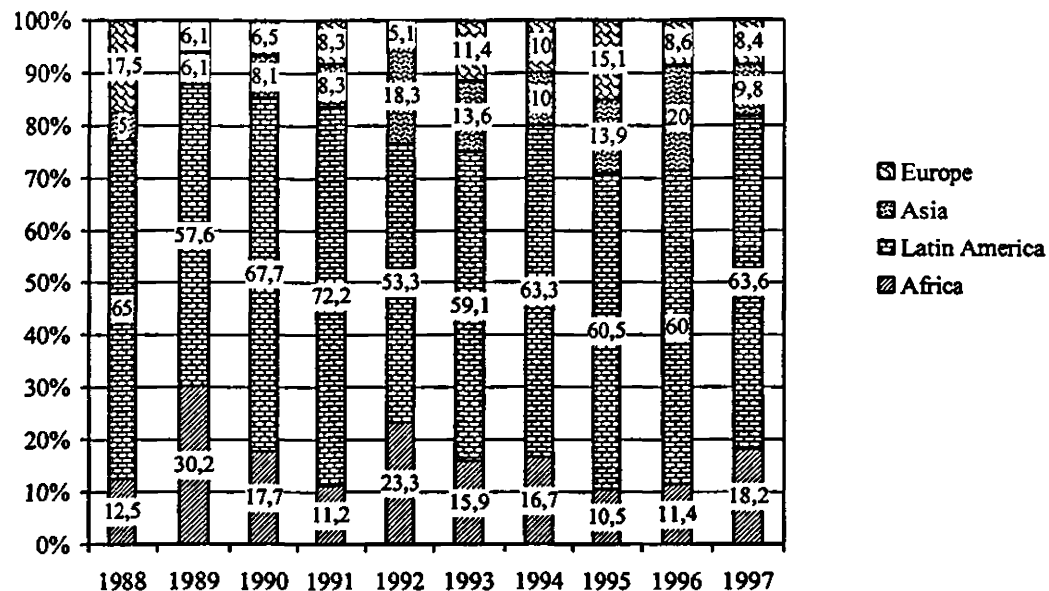
Furthermore both documents stress the historical relations of the Basque Country with other territories³⁹⁵. Basque international co-operation scheme is the modern version of the close connection that the Basque People has traditionally developed with other peoples. According to the documents, the '*existence of solidarity and mutual support feelings, made the relationship between those territories and the Basque Country go beyond mere mercantile relations*'³⁹⁶.

³⁹⁴ See *Memoria de la Cooperación 1988-1997* (op. cit.) pp. 21-22

³⁹⁵ See Legarreta, Josu: 'Cooperación Pública Vasca'; *Revista española de Cooperación y Desarrollo* no. 3 Año 1998 p. 101. *Memoria de la Cooperación 1988-1997* (op. cit.) p. 21.

³⁹⁶ See Legarreta, Josu: 'Cooperación pública Vasca' (op.cit) p.101.

Figure 15: Geographic allocation of Basque aid 1988-1997



Source: Gobierno Vasco 1997: '*Memoria 1988-1997 Cooperación Pública Vasca. Ayudas al tercer mundo*'
Vitoria-Gasteiz: Servicio Central de Publicaciones

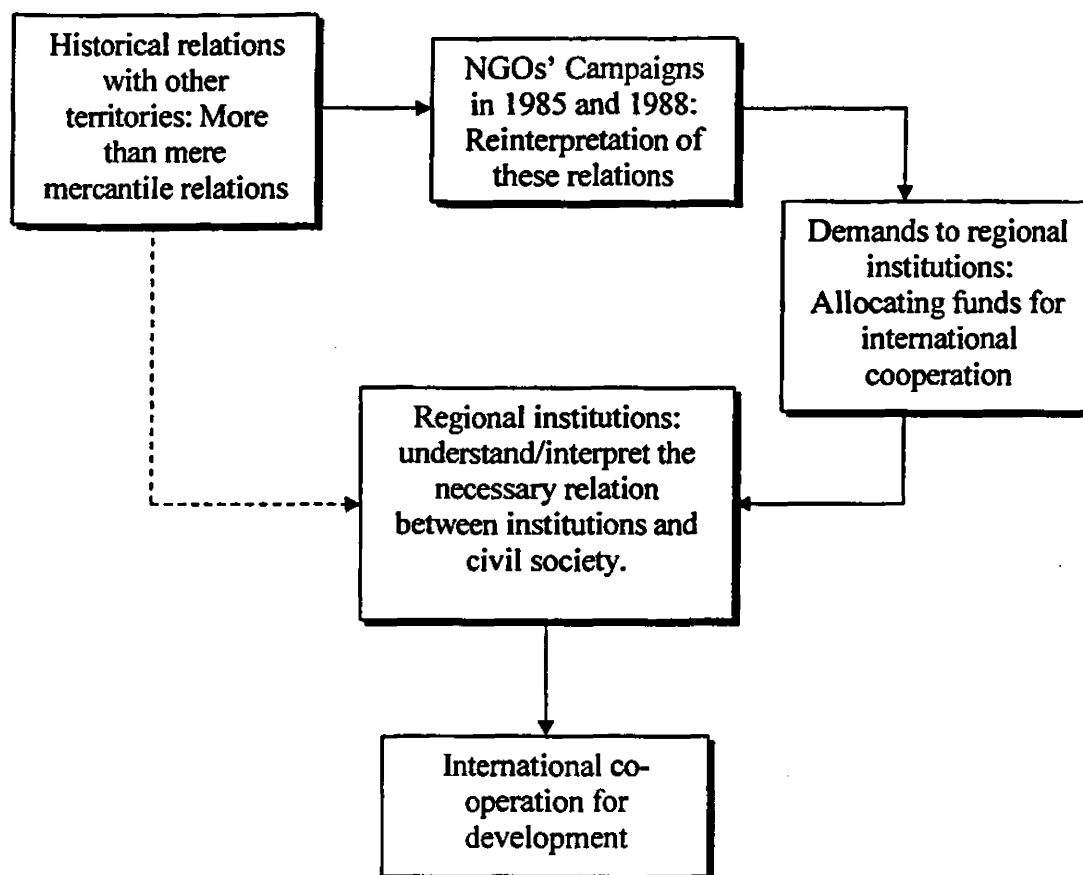
As we have already seen, these historical relations were concentrated mostly in Latin America and have substantially affected the pattern of geographic distribution of aid. As it is shown in the figure above, the pattern of aid allocation had remained quite stable for the period 1990-1997. The preeminence of Latin America as the main destination of Basque Aid confirmed that the structure of priorities established during the early years of Basque International Cooperation programs, had been reinforced by the injection of economic resources and the process of institutionalization of the policy described above.

Yet, as we have already seen, by 1998 Latin America represented (beside the locus for strong historical ties) the second most important market for the Basque export sector. Legarreta's article dismisses the impact of this factor in the configuration of Basque International co-operation policy³⁹⁷.

³⁹⁷ As we have already seen the economic relation between Latin America and the Basque Country didn't have a strong impact on entrepreneurial sector participation in international co-operation schemes. Yet, the inclusion in 1996 of the entrepreneurial sector in the list of eligible partners had triggered a great deal of conflict among the members of Basque international co-operation policy community. That might explain the

As is shown in the figure below mercantile relations do not play any substantive role in the Basque administration's perception on the origins of international co-operation programs.

Figure 16: The origins of Basque international aid for development programs



Historical relations between the Basque Country and Latin America were a precondition for the events taking place in the late eighties. In the words of Josu Legarreta: '*Basque society's sensitivity*, [referring to these feelings of solidarity and mutual support explicated above] *was manifested in the 80's through NGOs' campaigns for the 0,7% of the regional budget to be destined to international aid initiatives in favor of less developed countries*'³⁹⁸.

This method of reassessing the origins of the policy reinforces the symbolic power of Basque engagement in foreign aid policies. Institutions would appear as qualified

choice for non including a reference to the economic relations between the Basque Country and Latin America.

³⁹⁸ Legarreta, Josu: 'Cooperación Pública Vasca' (op.cit) p.102.

interlocutors for demands from the civil society. Furthermore, institutions would be able to trace the origins of these demands in order to make international co-operation a necessary political outcome even in a hypothetical case of non mobilization by NGOs (this relation is represented in the figure above by the dotted line). The result is a policy outcome which is not only legitimate according to 'democratic standards', but also necessary according to the history of Basque politics and society.

However, the process of policy reassessment, did not entail a reassessment of the meaning of the development agenda underpinning Basque international aid. As has been noted by José Antonio Alonso, '*it is surprising the limited scope of normative underpinnings and the scarcity of strategic directives in Basque international co-operation policy*'³⁹⁹.

As the author further notes, the list of principles related to the debate on international development, utilized in administrative documents is too vague. They ranged from the alleviation of the causes of poverty to the support for the participation of Basque social agents, including also references to the covering of primary necessities in the recipient societies or to the promotion of participatory development schemes⁴⁰⁰.

International co-operation was mostly understood in this period as part of the *international relations* of the Basque Country, rather than a policy in itself. The coalition agreement for the term 1994-1998, in its article 8, states that the main aim of Basque international co-operation was to '*[...] build-up a solidarity and open country, which will use international co-operation as an instrument for contributing to social development as well as it will permit us to reinforce our presence in the societies with whom we are co-operating*'⁴⁰¹.

What is more, the integration of international aid policies in the framework of Basque Country's international relations, leads the Basque administration to consider the important benefits that this policy might have in the internal sphere. Again this corresponds to the coalition agreement description of the main purposes of international co-operation:

³⁹⁹ José Antonio Alonso 1998: '*Sistema Vasco de Cooperación al Desarrollo: Diagnóstico y propuestas*' (op. cit.) p.25

⁴⁰⁰ José Antonio Alonso 1998: '*Sistema Vasco de Cooperación al Desarrollo: Diagnóstico y propuestas*' (op. cit.) p.26.

⁴⁰¹ Quoted in José Antonio Alonso 1998: '*Sistema Vasco de Cooperación al Desarrollo: Diagnóstico y propuestas*' (op. cit.) p.25.

- To attain the objective of the 0,7% of the regional funds to be destined to international co-operation.
- To encourage the co-ordination between institutions and private organizations.
- To empower the NGOs established in the Basque Country.
- To orient public resources towards integrated activities, focusing the attention to specific areas.
- To enhance the participation of enterprises in the cooperation policy, thus contributing to the internationalization of Basque enterprises.

International aid is interpreted, in line with the rest of Basque Country's international relations, not only as a way of projecting autonomous government abroad or the fulfillment of a moral demand, but first and foremost as a concrete response to specific political challenges.

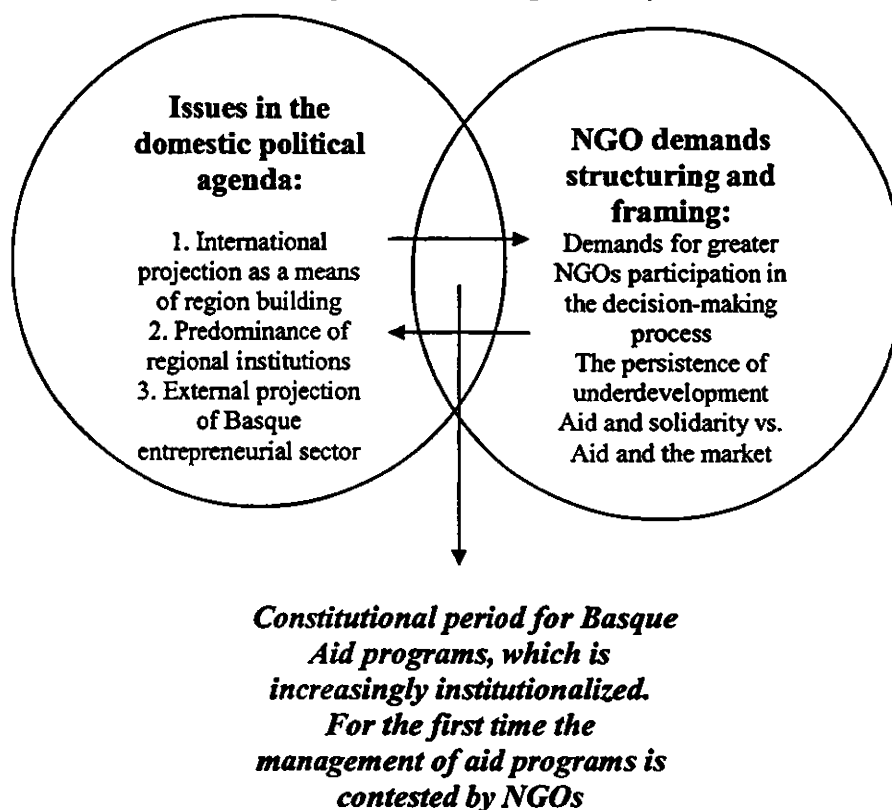
As the list above shows, the interpretation of certain needs at the level of internal politics (i.e. enhancing the relations with organizations or supporting Basque enterprises internationalization) is used to underpin a policy outcome that has eminently an international dimension. The link established between the internal and the external dimension of Basque politics denotes an important evolution in Basque international co-operation policy, from the *unconscious-kind-of-engagement* of late eighties, towards a more *aware-of-my-interest-* perception of the policy.

III.6 Basque international co-operation 1990-1998

As we have seen the period between 1990-1998 witnessed a number of important changes in the configuration of Basque international aid for development. These changes affect not only the institutionalization of the administrative structure, which increasingly fell into the hands of the Foreign Affairs Secretariat, but also the way in which international aid policy is perceived by regional institutions. International aid becomes more and more an integral part of a broader project of international relations, rooted on the idea that the development of regional political autonomy requires its external projection. This process results in a revision of the symbolic elements underpinning Basque aid. The combination of historical

revisionism with the symbolic value of democracy as the organizing principle of the relations between institutions and civil society results in a further reinforcement of the institutional profile of the Basque Country regional administration both ad intra and ad extra.

Figure 17: Domestic agenda and Basque foreign aid 1990-1998



The figure above shows how the interaction of the domestic political agenda and NGOs agenda led to two different, and to a certain extent contradictory processes. On the one hand, it led to a process of constitutionalisation of the policy. That is, from 1990 to 1998 the institutional and legal framework for Basque foreign aid policy was established. On the other hand, it led to the increasing contestation from the part of social actors, which up to 1996 had been the sole beneficiaries of region's engagement in foreign aid policies.

Consolidation is structured along the preferences of the regional administration, which managed to impose their own political agenda over the claims of NGOs, breaking the tacit agreement established before 1990. As we have seen, the actors was involved in the supply structure differed for the period 1990-1998, compared to the first stage in 1989.

Figure 18: Supply structure and policy consolidation 1990-1998.

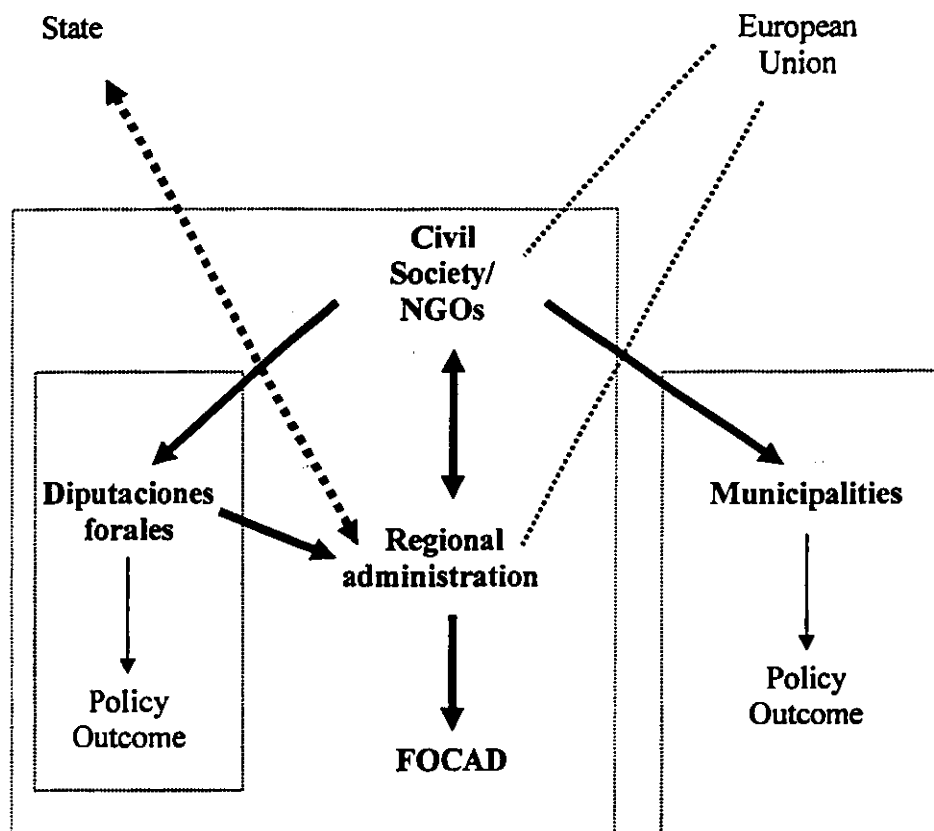


Figure twelve shows how throughout the process of consolidation of the policy, the supply structure becomes more and more endogenous to the region and is less influenced by exogenous actors, such as the state administration or the European Union.

The construction of a regional system is represented by the big dotted line box, whereas the small boxes represent the subsistence of the local and the provincial aid programs. The consolidation of the FOCAD witnesses the intervention of the provincial administration which cooperated with regional administration, whereas maintaining their own international co-operation schemes. Conversely, municipalities, remained out of the regional system of international co-operation.

The conflict with the State had less weight. This trend is observable at least since 1989 and comes to an end in 1993 when the Constitutional Court established the possibility for the Basque Country to open a representation office in Brussels, further establishing the limits of constituent units foreign projection in a general duty of respect for State foreign policy.

At the same time, the relations with the NGOs became more and more conflictive. With the continuous process of policy institutionalization, NGOs had less impact on the process of supply structuring, which increasingly responded to the necessities and the political agendas of the regional administration.

IV. 1998-2005: International co-operation in a context of uncertainty⁴⁰².

1998 signals an important turning point in Basque politics. After more than eight years of coalition between the Socialist party and the Basque nationalist party, the new candidate from the Basque Nationalist Party, Juan José Ibarretxe sought the establishment of a governing coalition with only nationalist parties. The governing coalition would include the Basque Nationalist Party and Eusko Alkartasuna, whereas majority of seats in the parliament were ensured by an agreement with HB⁴⁰³, which would support the governing coalition in the parliament.

Following Eliseo Aja, the Basque Nationalist party feared that the increasing wave of popular rejection for radical nationalism, mostly after the dramatic assassination of the local councillor of Ermua Miguel Angel Blanco on 12th June 1997⁴⁰⁴, would affect not only radical nationalism and the social and political setting of ETA, but also democratic nationalism. At the same time, the Basque Nationalist Party considered insufficient the degree to which the Autonomy Statute and the decentralization of competencies from the centre to the Regional administration had been implemented. In this context, the leaders of the Basque Nationalist Party sought in the radicalisation of its nationalist demands both the

⁴⁰² I disagree with Ruano and Ugalde when they consider the period 1998-2005 as a period of consolidation for Basque decentralized aid. According to both authors the analysis of the public expenditure in foreign aid initiatives shows the consolidation of the policy during the period analyzed. See: José Luis de Castro Ruano and Alexander Ugalde Zubiri: '*La acción exterior del País Vasco (1980-2003)*' (op. cit.) Chapter 6 pp. 278 to 279 and 288 to 290.

My contention here is that a brief look to the data on funds allocation, geographic distribution of aid and the administrative structure might show how Basque foreign aid was fairly well consolidated by 1998. Aid funds have increased steadily at least since 1994; geographic allocation shows a consistent scheme of geographic preferences from the part of the Basque administration; finally, the Directorate of International Cooperation has been working under the aegis of the Secretariat of Foreign Affairs since the early nineties. The result, as we have seen in the previous section, was that international cooperation was fairly well integrated with other regional foreign policy initiatives.

However, as I will try to argue in the forthcoming sections, for the period 1998-2005, particularly since 2001, instability in Basque politics has resulted in a major alteration of the position of Basque aid vis-à-vis the rest of Basque Foreign projection.

⁴⁰³ Herri Batasuna, independentist left-wing party which traditionally has played the role of the political arm of the terrorist group ETA.

⁴⁰⁴ On the 10th June 1997 Miguel Angel Blanco a councillor from the Popular Party at the local assembly of Ermua, was kidnapped by the terrorist group ETA. Terrorist gave an ultimatum to the Spanish government. They would free Miguel Angel Blanco, only if in 48 hours all ETA prisoners would be re-allocated in prisons in the Basque Country. Before the deadline established by the terrorist group expired massive demonstrations took place in Spain claiming for the liberation of the PP councillor. A few minutes after the expiration of the deadline, Miguel Angel Blanco was found wounded to death. He had been shot in his neck.

means to put ETA's violence to an end and to fully satisfy Basque necessities for self-government⁴⁰⁵.

Aja further claims that, as a result of negotiations/conversations between the PNV and ETA on the 12th September 1998, the Basque Nationalist Party, EA, HB and IU/EB⁴⁰⁶ undersigned the agreement of Lizarra, by which these political forces committed themselves to find a political solution to the problem of violence and terrorism, seeking the constitution of a united nationalist front in order to pursue the independence of the Basque Country through political means⁴⁰⁷. On the 16th September 1998 ETA announced a unilateral ceasefire, in order to favour nationalist political action.

The implementation of the Lizarra agreement in the months following the ceasefire sought the elaboration of a new electoral census in which only real Basques(?) would have the right to vote, the establishment of a Basque ID card or the strengthening of Udalbiltza (assembly of representatives elected at the local level), which was the embryo of a proper Constitutional Assembly for the Basque territories, including Navarre and French-Basque territories⁴⁰⁸.

The failure of the negotiations between ETA and the Spanish government, led to the end of the ceasefire on the 28th of November 1999 and, to a certain extent, to the end of the activities of the Basque nationalist front constituted along the lines of the agreement of Lizarra. HB the political arm of ETA, supported once again ETA's radical claims, and the Basque Nationalist party was forced to breach the parliamentary agreement with the radical nationalists, establishing a minority government from early 2000 until the end of the term in 2001.

After 2001 elections a new coalition entered office in the Basque Country consisting of the PNV, EA and IU/EB. The term 2001-2005 has been marked by confrontation between the so-called nationalist and constitutionalists blocs along the lines of Ibarretxe's proposal for

⁴⁰⁵ See Eliseo Aja 2003: '*El Estado Autonómico: Federalismo y hechos diferenciales*' (op. cit.) p.299

⁴⁰⁶ The regional branch of IU, a left wing federation of parties, which includes the Communist Party. The national matrix of the Party claims for the constitution of a proper federal system in Spain as a means of overcoming territorial conflict in Spain. Since 1998, the regional branch of IU (IU/EB) has more and more leaned to the positions of the Basque Nationalist Party, as its support for the Ibarretxe Plan in the last years shows.

⁴⁰⁷ See Eliseo Aja 2003: '*El Estado Autonómico: Federalismo y hechos diferenciales*' (op. cit.) p.300

⁴⁰⁸ See Eliseo Aja 2003: '*El Estado Autonómico: Federalismo y hechos diferenciales*' (op. cit.) pp. 300-301

the reformation of Basque Autonomy Statute. The "plan" foresees the reformation the Autonomy Statute of the Basque Country, which would change the political status of the region in the Spanish state. According to the text of the proposal the Basque country would become a free-associated state to the Spanish State, with the right to re-negotiate their political status at any point in time. The problems of accommodating Basque nationalism have dominated the political debate in the Basque country and, in many respects even the Spanish political agenda.

The foreign policy agenda as it had been defined before 1998 has lost saliency in Basque politics. Ibarretxe's address to the regional parliament in 1998 redefined the foreign policy agenda. The distinction between ad intra and ad extra projection of self-government was reassessed in order to concentrate on the political impact of the process of European integration, and the defence of the autonomous space for decision-making. Full development of the Autonomy Statute and promotion of Basque identity were identified as the most important instruments for counteracting the perils of globalisation, internationalisation of the economy and the integration in a broader European Union⁴⁰⁹. Europe is increasingly considered a limit to regional self-government, rather than a structure of opportunity.

This protective foreign agenda has been pushed to its limits since 2001. The combination of a domestic debate on the accommodation of the Basque Country within the Spanish constitution with the debate on the Constitutional Treaty for the European Union, has pushed the Basque government to be more active in Europe in defence of greater recognition for the regional tier and the defence of regional self-government. Furthermore the Basque Government has developed an intense political campaign in favour of the reformation of Basque Autonomy Statute.

In Ibarretxe's address to the regional parliament in 2001, the priorities of the foreign policy agenda of the Basque government were the following: First, the definition of an integral foreign policy, which implied the involvement of all the departments of the Basque government in the definition of the foreign policy agenda; second, the development of instruments that allowed the Basque administration to play a leading role in the process of

⁴⁰⁹ See *Diario de Sesiones del Parlamento Vasco*. VI Legislatura No. 4 p. 28.

European integration. According to the Lehendakari, the link between self-rule and the process of European integration is more important than ever before. Thus, the Basque government was committed to an strict defence of the 'space for self-government' vis-à-vis European institutions, while seeking the development of an active policy of transborder co-operation and the promotion of Basque culture and values abroad⁴¹⁰.

Between 2001 and 2004, Basque government has participated in different European initiatives regarding the debates of the Convention on the Future of Europe and the design of the Constitutional Treaty of the European Union. On top of that, the Lehendakari engaged in an intense agenda of activities oriented to gather international support for his political proposal in different European and international fora.

To many observers, Basque European activism in the framework of the constitutional debate can be understood only in the light of internal political conflict. Pushing for the recognition of a European regional tier of governments, which would respect the specificities of the European regions with legislative powers, or pressing for the recognition of the rights of Stateless nations in Europe, would serve the political agenda of reformation of the Autonomy Statute.

IV.1 International co-operation in the Basque Country 1998-2005

The period 1998-2001 did not witness major changes in the structure or functioning of international co-operation in the Basque Country. The analysis of documents or interviews does not identify any alteration of the patterns of supply or demand structuring in the realm of international co-operation policy. What is more, Basque Government data for geographical allocation of aid or the distribution of aid funds show an important gap for the years 1999-2001. Therefore, we can only assume the continuity of the major trends identified before in terms of the patterns of aid allocation and distribution. Last but not least, budgetary stagnation due to the lack of support for the Regional Budget Law in the Regional Parliament, have resulted in the reproduction of Basque International Co-operation policy budget along the lines defined before 1998.

⁴¹⁰ See *Diario de Sesiones del Parlamento Vasco*. VII Legislatura No. 4 pp. 28-29

However, since 2001 a number of changes have taken place in the institutional structure and the political discourse underpinning Basque international co-operation. As a result of the bargaining process between the political forces making up the coalition, international aid for development activities had been removed from the Lehendakaritza, and are now part of the functions of the Housing and Social affairs Regional ministry. In the words of an informant from the regional administration: *'changes in the administrative structure, that is, the fact that international co-operation, together with the rest of the social policy competences are now controlled by IU might trigger a process of policy reassessment, mostly in the context of the debate on the new Law on International Co-operation'*⁴¹¹.

According to the *Programmatic lines for the new International co-operation directorate*, a process of policy reassessment was justified by the need to enhance the quality of Basque international co-operation⁴¹². The proposal for renewed international co-operation was further implemented in the proposal for a co-operation Law put forward by the regional government in 2002⁴¹³. The most relevant innovations are the following. First, international aid for development is understood as a policy independent of other international activities of the Basque Government. International aid is understood as a moral compromise rooted on the idea of solidarity. As it is stated in the proposal for the Law on international co-operation: *'a compromise that doesn't expect further pay-offs of any kind, be them financial benefits, the projection of the Basque entrepreneurs, ideological or religious propaganda or the construction of clientele networks.'*⁴¹⁴.

The idea of promoting solidarity through international co-operation has displaced in the texts the references to historical relations of the Basque Country with other territories, or the democratic re-interpretation of the relationship between NGOs and institutions⁴¹⁵. International aid is understood as a principle-inspired policy, rather than a political response to NGOs or a modern interpretation of past relations. The principle recalled is that

⁴¹¹ Interview with Igor Irigoyen (cited)

⁴¹² See *Líneas programáticas de la nueva Dirección de Cooperación al Desarrollo* February 2002. p.1.

⁴¹³ See *Borrador de texto articulado del anteproyecto de ley vasca de cooperación al desarrollo*.

⁴¹⁴ See *Borrador de texto articulado del anteproyecto de ley vasca de cooperación al desarrollo*. Art. 3.1

⁴¹⁵ This is evident in the text we have quoted above. Furthermore the regional decrees regulating the allocation of funds stopped since the advent of the new governing coalition to refer to the elements mentioned above. See for instance *Decreto 171/2002 de 9 de Julio por el que se regulan y convocan ayudas a proyectos con cargo al Fondo para la Cooperación y Ayuda al Desarrollo para el ejercicio 2002*. B.O.P.V no.133 Julio 2002 pp 12643-12753.

of international solidarity, understood as a moral compromise with the population in the less developed countries of the world.

It is worth noting that the affirmation of a strong solidarity principle is combined with a list of possible pay-offs of decentralized aid for development. This could be an indicator of the perception that IU had (as an opposition party during the rule of the PNV-EA and the PNV-PSOE-EE-EA coalitions) of international co-operation. At the same time, the list of pay-offs include many aspects of Basque international co-operation that have been severely criticized by NGOs and other social actors.

An immediate consequence of the introduction of a strong solidarity principle is that elements of the discourse on international development enjoy a more relevant role in the discursive structure. International development is understood as a complex process that goes far beyond the idea of economic growth. First, development is understood as a right rather than a moral desideratum. Second, the right to economic development must be interpreted under the principles of indivisibility and interdependence of Human rights. Thus, the idea of development promoted by regional institutions is one that puts at the forefront the principle of equality, and the idea of equal access to resources. At the same time, development must be sustainable, in order not compromise the right to development of future generations⁴¹⁶.

The newly-gained saliency of the development debate, in the construction of a normative case for international aid, is materialised through important changes in the way the material and geographical preferences of the policy are settled. Regarding the former it is noteworthy that any reference to the internal dimension of regional politics has disappeared. International aid is not about the promotion of NGOs or the Basque entrepreneurial sector. Conversely, the political purposes of international aid are related to affirmative action in the promotion of equality, social participation and the eradication of extreme poverty⁴¹⁷.

By the same token, the way in which geographical areas are prioritised has changed. The reference to the historical relations of the Basque Country with other territories lost most

⁴¹⁶ See *Borrador de texto articulado del anteproyecto de ley vasca de cooperación al desarrollo*. Art. 3 paragraphs 1-10.

⁴¹⁷ See *Borrador de texto articulado del anteproyecto de ley vasca de cooperación al desarrollo*. Art. 4.

of its relevance. Instead, the Basque government refers to peoples specially affected by the problems derived from economic underdevelopment⁴¹⁸. The specific criteria for selecting geographical areas are the following:

1. Peoples and countries affected by extreme poverty, as indicated by the index on Human Development of the U.N.
2. Peoples suffering a generalised violation of Human Rights.
3. Areas in which humanitarian intervention is required.
4. Peoples and Countries with which the Basque Administration has kept in the past an intense co-operation experience.
5. Peoples and countries with a significant presence of immigrants in Euskadi.

Finally, the parameters for identifying the partners for international co-operation had been changed. In the new legislation, the Basque government would recognise the role of agents of international co-operation, the NGOs and other organizations from the non-profit sector⁴¹⁹. The emerging discourse on international aid is summarized in the figure below

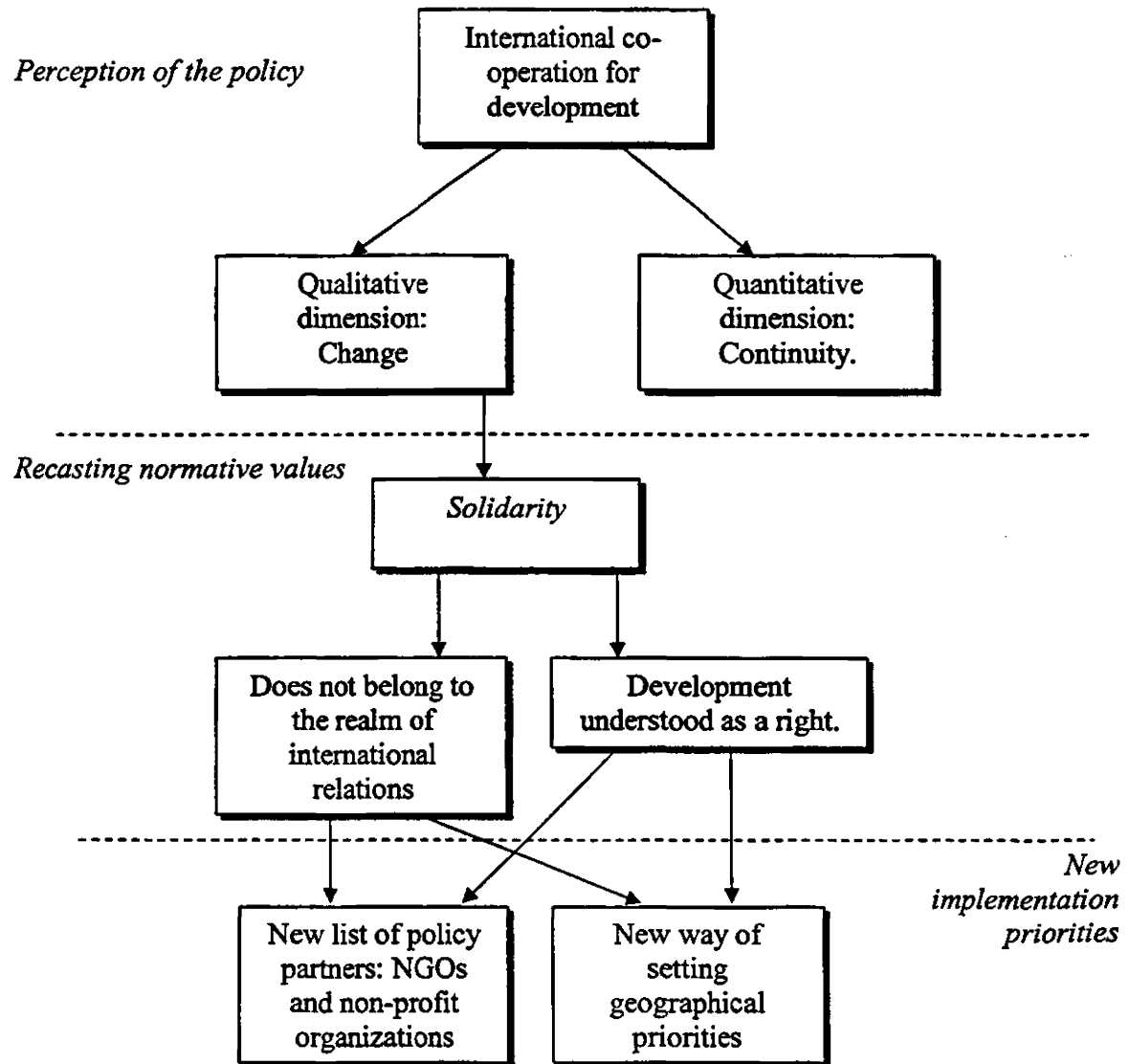
Despite all the changes in the political discourse surrounding the realm of international aid policies, it is still very early to evaluate whether these changes have had an impact on the implementation phase of the policy.

As far as this research is concerned, the final version of the Law on international co-operation activities has not been approved yet by the regional parliament. Thus, the discursive pattern explicated above, remains as a kind of programmatic line, a direction the international development policy of the Basque Country should take.

⁴¹⁸ See *Borrador de texto articulado del anteproyecto de ley vasca de cooperación al desarrollo*. Art. 5.

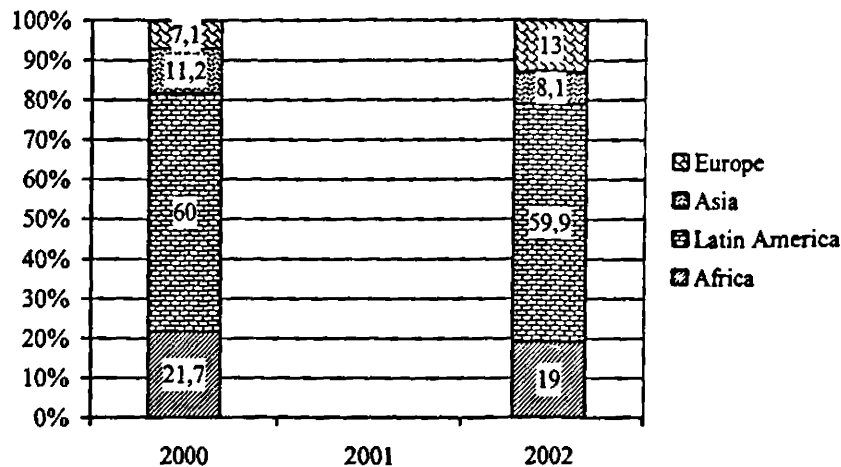
⁴¹⁹ See *Idem*. Arts. 9-10.

Figure 19: A qualitative change in international development co-operation.



The data presented in the graphic below show how the reformation process of Basque aid has had little impact in the geographic allocation of international co-operation. The data are consistent with the trends signalled by previously analysed data, which show the pre-eminence of Latin America as the destination of Basque foreign aid.

**Figure 20: Geographic allocation of Basque foreign aid
2000-2002**



Source: Basque Government

Conversely, the data for the distribution of aid among partners show the increasing allocation of funds to NGOs. As we have seen in the previous sections, the incorporation of the entrepreneurial sector into Basque international co-operation altered partially the dynamics of Basque cooperation implementation. Basque entrepreneurs managed to increase their share of funds, yet never menacing the dominant position of NGOs. Data for 2001 and 2002 show that NGOs concentrate an ever increasing share of the funds, in line with the proposals of the provisional text of regional international co-operation law.

Table 4: Distribution of aid among different partners 2000-2002⁴²⁰.

	NGOs	Other actors	Education	Total
2000	-	-	-	-
2001	76,88	13,38	9,74	100
2002	83,50	5,75	10,75	100

Source: Basque Government

⁴²⁰ From the year 2001 onwards, the Basque governments changed the parameters, thus they classify the projects in three main categories. Those categories are Chapter I DNGOs; Chapter II Other actor; Chapter III Education for development. Emergency aid and Direct investments just disappear from public data. Anyway, the tendency of the Basque Government to distribute most of the aid among the DNGOs remains stable.

Last but not least, in 2004 the Basque government issued a decree by which the *Comisión Gestora* of the FOCAD was reformed. The decree responded to major changes in the structure of Basque international co-operation, which permitted the Basque government to be the only contributor to the FOCAD. According to the decree a change in the institutional structure is needed in order to reflect changes in the structure of Basque donors. At the same time, the decree reflects the new allocation of Basque international co-operation within the Administrative structure of Basque government. The decree 62/2004, alters the structure of the *Comisión Gestora* so that includes the members of the Social and Housing policy regional ministry, which substitute the members of the Foreign Affairs Secretariat and eliminates the participation of representatives from the *Diputaciones forales*⁴²¹. Yet, it reproduces the pattern of dependency between the *Comisión Gestora* and the regional ministry in charged of international co-operation.

IV.2 Basque co-operation 1998-2005: reformation or stagnation?

Changes in the governing coalition since 2001 have brought about a new way of understanding international co-operation policies. This contradicts partially the assertion of one interviewee who, when asked about opposition's criticisms about Basque international co-operation, argued that even if the leader of the Popular Party would have been elected for regional president, *'he wouldn't have change a thing, since international development co-operation offers an extremely comfortable position. At end of the day, it is easier to justify increasing public expenditure than severe cuts'*⁴²².

Yet, these changes might indicate also a process of marginalisation of international co-operation from the relevant political sphere in the Basque Country politics. As we have seen, politics in the Basque country have evolved towards a process of polarisation along the debate on the accommodation of the Basque Country in the Constitutional structure of the Spanish State. This change had an impact on the definition of the international politics

⁴²¹ See Decreto 62/2004 de 30 de Marzo por el que se regula la comisión Gestora del FOCAD. B.O.P.V. Martes 6 de Abril de 2004 No. 66.

⁴²² Interview with Jose María Muñoa (cited)

agenda of the Basque Government, which had increasingly focused on the defence of self-government and the promotion of Basque autonomy vis-à-vis European institutions.

Changes in Basque politics have relegated Basque international co-operation to a secondary role in the context of the international activities of the Basque Country. From 2001 onwards, International co-operation has been controlled by the Regional ministry for Housing and Social Policy, instead of the Foreign affairs secretariat, which controls the rest of Basque foreign policy.

The directorate for international co-operation has triggered an ambitious process of reform, in which NGOs participate actively. As a result, the rhetoric of Basque aid has integrated a structured development agenda, displacing previous considerations on the role of the historical relations of the region with other territories. What is more, since 2001 Basque international co-operation seems to live beyond the margins of political conflict in the Basque Country. Thus, reforms have brought the hope of greater independence of the aid structure from the system of Basque foreign relations. Yet, the de-politisation of aid also results the regional administration losing interest in the fate of Basque international co-operation and, as a consequence, a process of policy stagnation.

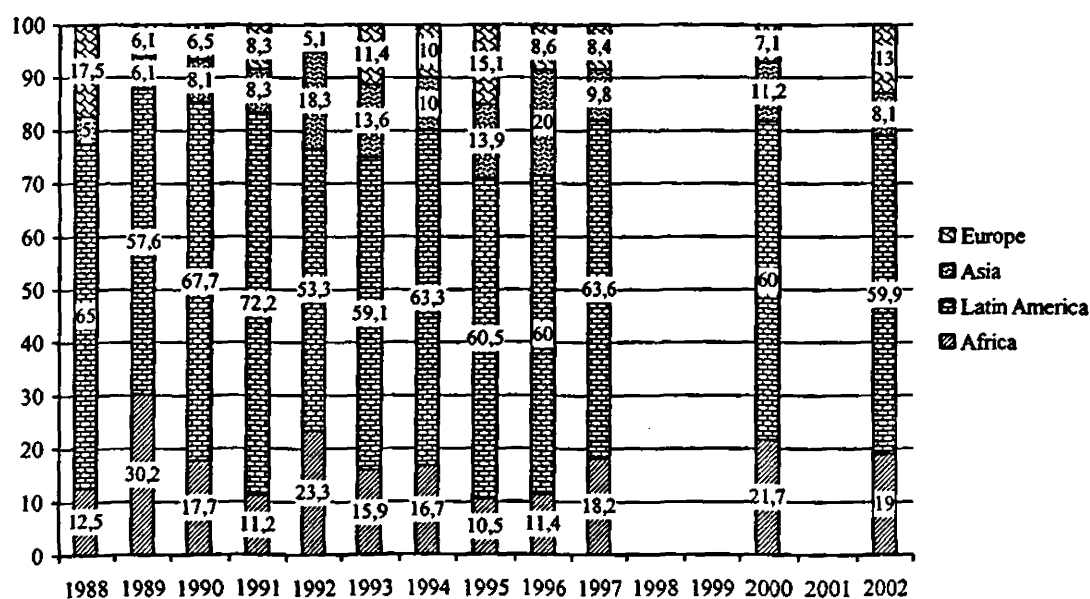
V. Conclusions

This chapter has tried to shed light on the international aid activities of the Basque Country. The policy has been analysed at different levels, trying to offer an all-encompassing image of what undoubtedly is a complex process, the constitution of a regional foreign aid policy. This conclusions try to sum-up the main findings of this chapter in terms of the various levels of analysis.

V.1 Basque international co-operation: an overview of some data

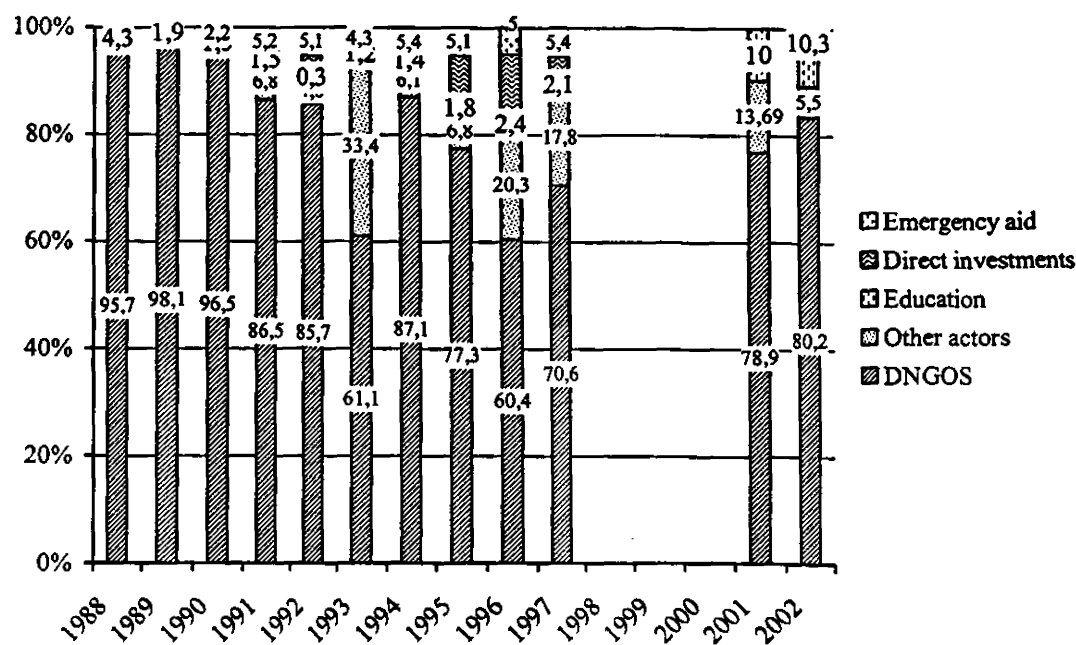
Basque international co-operation is rather stable both in terms of geographic distribution of aid and in terms of material distribution and distribution among partners. For the period 1988-2003 Basque aid was concentrated in Latin American countries. As we have seen, both dependency on the structure of social actors, as well as the decision by the regional government to enhance the relations with Latin American countries (mostly from 1994 onwards) can help us to understand this trend. The graphic below Shows the overall geographic distribution of Basque international co-operation.

Figure 21: Geographic allocation of Basque foreign aid 1988-2002



The second marker of Basque international co-operation is that it has relied heavily on the participation of NGOs, mostly during the project implementation phase. The data for the period 1988-2002 show how DNGOs have played a major role in structuring the implementation of Basque foreign aid, whereas the participation of other actors, such as the Basque entrepreneurial sector, have had a secondary role in structuring decentralized co-operation policy. Especially relevant is the scarce amount of Direct agreements between the Basque administration and recipient countries. This is the direct result of the early dynamics of the process of constitutionalisation of international co-operation policy. As we have already seen, Basque aid was defined as funds for NGOs' international co-operation activities, as a means of avoiding interference from the central State. Since then, NGOs managed to ensure a high proportion of development funds, whereas the Basque government has barely tried to go beyond the limits imposed in the early phases of constitutionalisation of the policy. The graphic below shows the distribution of funds among different partners for the period 1988-2002.

Figure 22: Distribution of Basque Aid among partners 1988-2002



The data presented above tend to emphasize the weight of Basque NGOs in the Basque foreign aid policy. Yet, a cautious analysis of the structures of governance of Basque foreign aid, as well as the structure of discourse surrounding Basque government's engagement in foreign aid policies, might help us to nuance this picture.

The following sections are devoted to summarize our findings regarding both the structure of governance of Basque international co-operation and the discursive patterns underpinning Basque international aid. First, from 1990 onwards, we have seen how the structure of governance attempted to concentrate decisional capacities in the hands of the Basque government. From 1988 to 1998 NGOs were progressively relegated to the implementation phase.

Second, we have shown how the Basque government managed to put forward a coherent discourse on international co-operation for development. This discourse was meant to integrate international co-operation in a broader project of international projection. Since 1990 onwards, international projection has been perceived by regional politicians as an important instrument for pushing the limits of political autonomy.

V.2 Who governed the construction of Basque international aid policy? International aid and the interactions between institutional and non-institutional actors

Basque international aid policy is the result of complex patterns of interactions among different types of actors, i.e. institutional actors at different levels and organizations in civil society. The changing nature of the interrelationships between the Basque administration and those actors can be summarized as follows.

First, the interactions with organizations in the civil society fluctuated from an initial moment in which NGOs enjoyed predominant position vis-à-vis both institutions and society towards the progressive centralization of policy resources in the hands of the regional administration all throughout the nineties. The situation has been changing in more recent times. New regional administrators have put at the forefront of the political discourse many of the elements stressed by NGOs. This could be the beginning of a second golden age for NGOs.

Second, inter-institutional relations have also been of some relevance in the configuration of the policy. Within this realm of inter-institutional relations the Basque Country's two major institutional tiers can be identified, first, sub-regional institutions (provinces and localities) and second, the state administration.

As we have seen the regional administration tried in 1989 to incorporate sub-regional institutions into the construction of a broad international co-operation scheme. As we have seen the regional government managed to include the only *Diputaciones forales* in the FOCAD. Yet, all the institutional layers in the Basque Country (even the *Diputaciones*) maintained differentiated international co-operation schemes.

This could indicate that inter-institutional co-operation within the context of international aid for development has been interpreted by political actors as part of a broader game of inter-institutional relations. According to this interpretation the advantages of engaging in international aid policies were soon perceived by all institutional layers within the limits of the Basque Country leading to a multiplication of the institutional supply activities within the regional limits.

Though it lies beyond the scope of this dissertation, the difficulty establishing an integrated system of international co-operation could be explained by the fact that institutional actors in the Basque Country were unable to compromise these benefits in exchange for further co-ordination and efficiency of the programs. This dynamic of inter-institutional competition could be exemplified by the fact that the Basque government managed to relegate the *Diputaciones forales*, to a secondary role within the FOCAD, and as a result became the only participant institution in 2004.

Yet, the capacity of the Basque administration to maintain a central role, vis-à-vis the potentialities of the provincial administration in the region (due to their special fiscal status), shows clearly that the Basque Government took the possibilities opened by NGOs demands seriously.

Regarding the relations between the Basque administration and the State, the absence of the latter as a relevant actor in the process of configuration of the policy is striking. As we have seen, the State has played a residual role, normally as a final point of reference in the structure of incentives. This role of the State in the structure of incentives is exemplified by

the fact that the definition of international co-operation as subsidy to NGOs, intentionally tried to avoid any kind of interference by the State. The tendency of the region to avoid any kind of State interference has been fuelled by the central administration's tendency to avoid entering the realm of decentralized aid. This has been noted by the DAC committee from the OECD, which in one of its latest reports on the Spanish aid system regretted the lack of co-ordination between policy at the national level and decentralized aid initiatives⁴²³.

Therefore, the process of policy constitution and the creation of an institutional structure which was able to manage decentralized aid in the Basque Country, was structured according to dynamic and complex relations between NGOs and regional institutions as well as the interaction between the local and the regional level. As we have seen, as a result of this process the Basque government managed to control the levers of the policy, leaving NGOs and the provincial administration partially aside. This situation might be changing, at least for NGOs, with the advent of the new governing coalition.

V.3 The terms of political discourse

As we have seen, the Basque government has constructed different discursive structures to justify its engagement in international aid policies. The way in which the policy is perceived in 1988 differed from the way in which it was understood in 1998 or in 2002.

Basque government evolved from a rather simple enumeration of elements in 1988 towards a more elaborated discourse in 1998 and 2002. As we have tried to show in previous sections, variation in the discourses offered by the Basque administration throughout the period 1988-2002, is co-related to major changes in the way in which the international activities of the Region were conceived, specially in relation to the broader project of constitution of the Basque polity.

⁴²³ In 1998 the OECD/DAC report on Spanish international co-operation defined the Spanish aid system as pluralistic, taking into account the number of actors involved in the policy. Yet, the 2002 report recommended that Ministry of Foreign Affairs should be accorded a clearer lead role in providing directions to all actors in development co-operation. MFA's role in this regard would include ensuring consistency and synergies between the growing decentralised co-operation and overall aid policy. See OECD/DAC 2002: *'Development Co-operation Review Series: Spain'*. OECD publications: Paris. OECD/DAC 1998: *'Development Co-operation Review Series: Spain'*. OECD publications: Paris.

In 1988 the regional government's lack of a structured discourse on international aid was strongly correlated to the inexperience of the Basque administration in the field. Furthermore, control from the part of NGOs of the levers of the policy would explain why the regional administration's discourse on international aid was to an important extent the result of a process of incorporation of NGOs demands. The only exception could be the references to inter-institutional relations, which as we have said before, can be interpreted as an attempt to take advantage of NGOs mobilization, pushing forward the space for regional autonomy.

In 1998 and 2002, the picture was rather different. The greater level of institutionalisation resulted in rather sophisticated discursive patterns. The structure of discourse in 1998 inscribes international aid within a broader conceptualisation of the links between international relations and the construction of an autonomous political space. A de-consecrated set of historical relations with Latin America is combined with an explicit account of the democratic relations between institutions and society, which aims to further legitimise the policy outcome.

With the advent of the new governing coalition in 2002 the Basque government has changed radically the terms of the political discourse focusing on the problems of underdevelopment, which up to that moment had played a rather residual role. This change has played down many '*identitarian markers*' that had been included before. The most important being the reference to Third world immigration in the Basque Country, rather than to Basque emigrants. This would indicate that foreign aid is not anymore perceived as an instrument for projecting the Basque Country abroad but as a policy with increasing *ad intra* returns.

Furthermore, changes in the pattern of political discourse could be an indicator of a major change in the relationship between the instruments for the international projection of the Basque Country and the broader process of construction of the polity.

International relations had been controlled by the Lehendakaritza since 1990. As we have seen, different governing coalitions in the Basque country increasingly linked self-government and promotion of regional autonomy to the international projection of that

autonomy. Foreign policy instruments had been increasingly subordinated to the needs of the political programs of the governing coalition in the Basque country.

From 2001 on, international co-operation policy has been separated from the rest of the international activities of the region, which are controlled by the Lehendakaritza. The political program of the new governing coalition for the period 2001-2005, structured along the so-called *Ibarretxe's plan*, sought the re-definition of the institutional status of the Basque Country into a free-associated State. The implementation of this program implied, in the last four years, the mobilization of important international resources and the implementation of an intense diplomatic agenda oriented to gain international support for Ibarretxe's proposal. Yet, as we have seen one of the traditional instruments for Basque international projection, International co-operation policy, has remained somehow absent from the agenda of internationalisation of the political program of the governing coalition.

My contention here is that the Basque government, from 2001 onwards has altered the virtuous relationship between international projection and region-building program. The political needs derived from the aggressive institutional proposal of the Lehendakari, along which most of the political debate in the Basque Country has been articulated in the last term, forced the Lehendakaritza to emphasize those instruments of Basque international policy, which more easily permitted the publicity of Lehendakari's proposal. This led to the dismissal of traditional instruments of foreign projection such as international co-operation, which cannot easily be structured along the needs derived from promotion of the ideas of the Lehendakari.

This situation is similar to that of the early phases of Basque political autonomy in the early eighties, when the newly established autonomous institutions, controlled by the Basque Nationalist Party, engaged in the socialization of constituencies within the values of the virtuous Basque nation, in line with the directives of the Basque Nationalist Party. As we have already seen, at this stage the foreign projection of the Basque government concentrated its international projection on the incorporation the Diaspora to the project of nation-building, which represented the sacred flame of the liberties lost in 1876.

Nevertheless, the functioning of international co-operation from 2001 to 2005 shows the relevance of the existing structures of dependency within Basque international co-

operation. Basque international co-operation has maintained most of its identity markers under the aegis the Housing and Social Affairs Ministry, such as it is the case for the concentration of funds in Latin America. Furthermore, some of the innovations introduced, at least at the level of discourse, have devolved international co-operation into the hands of NGOs and social organizations in the Basque Country, who, from 1990 to 1998, had been progressively excluded from the decisional processes of Basque international co-operation

PART III: THE POLITICS OF DECENTRALIZED AID IN TUSCANY

PART III: THE POLITICS OF DECENTRALIZED AID IN TUSCANY

I. Introduction

The first activities of Tuscany's regional administration in the realm of decentralized co-operation can be traced back to 1990, when the regional government passed the first regional law on international co-operation. Yet, it must be said that, by this time, international co-operation activities were not a novelty in the Tuscan territory. Since the mid-eighties, local institutions, in co-operation with local NGOs, had developed different co-operation schemes. Tuscany's legislation echoed the reality in the territory of trying to integrate pre-existing activities in the restrictive normative framework of the Italian State.

In 1999 a new system was established. The new system conferred greater deal of autonomy on the regional administration to operate not only as a coordinator, but as the central piece of a regional international co-operation system.

This major change is the regional response to a new political situation in Italy that affected both centre-periphery relations and the realm of foreign aid. Firstly, it can be said that in 1999 ordinary statute regions enjoyed a greater level of autonomy. Institutional reform and the extended perception (in part devoted to the emergence of the *Lega Nord* as a political force) that the solution to Italy's problems of *malgoverno* resided partially in conferring more substance upon the regional tier of government changed the position of the regions vis-à-vis the national government and expanded the role of sub-state tiers of government in the Italian political system.

Secondly, by 1999 the Italian overseas aid system had experienced an enormous crisis, due to a number of corruption scandals that questioned the use of national funds destined for aid. According to the perceptions expressed in various OECD/DAC reports issued at that time, the process of aid system restructuring, which basically implied reducing funds available for bilateral aid, forced NGOs to look for new partners. This process benefited the sub-state levels which gained some relevance in the aid realm.

The creation of this new system allowed the regional administration in Tuscany to establish a new political agenda for international development aid. This agenda introduced a broad interpretation of the principles of territoriality and decentralization. Furthermore, the documents emphasized Tuscany's contribution to the process of European integration.

Finally, they addressed the question of the contribution of Tuscany's development experience, rooted in the integration of civil society and an economic model based on small and medium-sized enterprises, to the economic and social development of Third World countries.

The chapter is structured to reflect these changes on a temporal basis. Thus, the first section is devoted to analyzing Tuscany's initial steps in the international aid realm. Empirical evidence from this period shows how, at this stage, the region was trapped between the normative framework of the State and the previously existing co-operation schemes of NGOs and localities.

The second section addresses the major changes brought by the regional law 17/99 and the *piano regionale per la cooperazione 2001-2005*. From 1999 onwards the region managed to structure a new system of international co-operation, rooted in a new normative perception of the role of territories in the international realm. Tuscany's system managed to integrate territorial initiatives, yet it conceded a number of directive and co-ordination capacities to the regional administration.

Finally, the conclusions of this chapter reassess the role of Tuscany in the realm of decentralized aid. In this respect the evolution of political discourse is confronted by the evolution of the administrative structures to conclude that is far from clear whether Tuscany's administration would be able to channel international co-operation towards a clear political scope, or, on the contrary, it would try to maintain the unstable equilibria between regional preferences, the inclinations of co-funding institutions and the demands of social actors in the territory.

Nevertheless, before proceeding with the analysis of Tuscany's involvement in foreign aid issues, a caveat must be introduced. The attentive reader might note that there is a significant variation in the amount of primary sources available for the construction of the Tuscan case vis-à-vis the analysis presented in *Part II* of Basque administration's engagement in foreign aid. As I will try to show in the forthcoming sections this should be taken as an outcome of this dissertation rather than as a constraint. In other words, the fact that important data are missing can be taken as an indicator of the nature of the politics of decentralized aid in Tuscany.

II. 1990: Tuscany's first steps in the realm of international co-operation.

II.1 Regionalism in Italy before the 1990's

Since the approval of the Italian Constitution in the aftermath of the Second World War until the beginning of the nineties, regional reform in Italy has undergone a number of phases. Firstly, from 1947 until the 1970's Putnam *et al.* had identified a minimalist approach to regional reform. Secondly, from the 1970's to the early 1980's a maximalist approach can be recognized. Finally, a third phase, the so-called managerial phase, took place during the eighties.

The establishment of Ordinary Statute regions was included in the Italian Constitution of 1947, yet the implementation of this constitutional mandate was postponed until the seventies. Following Putnam, the political strategies of both communists (who evolved from a highly centralist view to claims for decentralization) and Christian democrats (who, after advocating for regional reform in earlier stages, tried to defend a centralized political structure), led to the establishment of a minimalist approach to regional reform, which, at the end of the day, satisfied neither the political aspirations of the left nor the ambitions of the Christian Democrats⁴²⁴.

The inclusion of the Socialist in the governing coalition in the early sixties triggered the process of regional reform in Italy, since the Socialist Party had established the institutionalisation of a regional tier of government as one of their major claims in the bargaining process with the Christian Democrats. Yet, this process evolved slowly since Christian Democrats were reluctant to devolve political power and argued the important economic cost of establishing a new tier of government in the context of post-war economic reform. By 1970 two national laws institutionalised the minimalist legal framework for the establishment of the 15 Ordinary Statute regions in Italy⁴²⁵.

Nevertheless, the restrictive institutional framework established by the laws of 1970 and the subsequent constitutional doctrine established by the Court didn't affect the optimism of pro-regional elites regarding the constitution of the new tier of government. As Putnam *et*

⁴²⁴ See Robert Putnam, Robert Leonardi and Raffaella Y. Nanetti 1985: *'La pianta e le radici: Il radicamento dell'istituto regionale nel sistema politico italiano'* Bologna: Società Editrice Il Mulino p. 51.

⁴²⁵ See Robert Putnam *et al.* 1985: *'La pianta e le radici: Il radicamento dell'istituto regionale nel sistema politico italiano'* (op. cit.) p. 54.

al. had stressed, the restrictive legal framework established for regional reform in Italy spurred pro-regional elites and parties who, from 1970 onwards, tried to turn the fate of regional reform upside down, leading to the second phase of regional reform in Italy, that is the maximalist approach.

Following Putnam and co., the maximalist approach to regional reform represents the expansion of regional autonomy beyond the limits imposed by the institutional reform of the early 1970's and the rules of the political game among national elites. As they further argue, from 1972 to 1977 the 'regional front' mobilized. Claims for greater regional autonomy were echoed in the law 382/1975, which implemented the constitutional provisions regarding the areas of regional competence and sought to establish adequate administrative and financial instruments for the implementation of the new capacities. The law 382/1975 and the decrees, which further developed its contents, placed 25% of the total public expenditure in the hands of the regional administrations, whereas they sought an important reform of the national public administration⁴²⁶.

However, the implementation of the new normative framework was once again delayed during the last years of the seventies and the early eighties. According to Putnam *et al.* the main weakness of the system established in 1975 and 1977 was precisely that it didn't affect the general decisional structure. Reductions in bureaucracy were not followed by administrative restructuring; devolution of powers was not accompanied by new coordination mechanisms between the State and the regions. What is more, different state organs, such as the Constitutional Court, remained unaltered after the institutionalisation of the regional tier of government. Moreover, regionalization occurred in the midst of an important economic crisis, which affected the allocation of funds to the new institutional tier⁴²⁷. In 1978 the ministry for the treasury sought to reduce regional and local budgets as a means of containing the public deficit. Regions reacted by claiming that further cuts in regional budgets represented not only an interference in the development of their constitutionally defined capacities, but first and foremost an attempt to undermine incipient regional policy schemes.

⁴²⁶ See Robert Putnam *et al.* 1985: '*La pianta e le radici: Il radicamento dell'istituto regionale nel sistema politico italiano*' (*op. cit.*) pp. 70-80.

⁴²⁷ See Robert Putnam *et al.* 1985: '*La pianta e le radici: Il radicamento dell'istituto regionale nel sistema politico italiano*' (*op. cit.*) p. 84.

For the newly institutionalised regions, the situation of regional reform in the beginning of the eighties was one in which inter-administrative relations were outdone by political bargaining. As Bruno Dente has pointed out, the prevalent model of centre-periphery relations was bargained-consensual rather than hierarchic-authoritative⁴²⁸. Regions put forward strategies destined to access the decisional center in Rome, and the institutionalisation of arenas for direct political bargaining between the central state and the regions. Among these the opening of representatives' offices in Rome is noteworthy.

A third phase of regional reform in Italy took place during the eighties. This period witnessed the progressive establishment of the regional tier of government as an important element of the Italian political system. The organization of arenas of representation, such as the conference of regional presidents, allowed for better representation of regional interests vis-à-vis the national government. As Caciagli has pointed out, from the latter half of the eighties onwards the regions began to play an increasingly important role in Italian political life⁴²⁹. At the same time, regions concentrated more and more in managing the political autonomy achieved in the earlier stages. As a result of this managerial approach to regional autonomy, regions and regional policy progressively faded away from the front pages of the newspapers and the forefront of Italian politics.

Nevertheless, ordinary statute regions in Italy were still rather weak. Firstly, regions were very much dependent on the State. This is of particular relevance regarding financial autonomy. Regional funds derived almost entirely from the State and were largely earmarked for specific issues (Desideri claims that 90% of regional funds met these characteristics). Secondly, regions were undermined from below by a deep-rooted tradition of local government⁴³⁰.

By the mid-eighties regionalization in Italy could be understood as a two-fold process. On the one hand, the process of regionalization is rather weak at an administrative level. Legislation offered many blank spots, which permitted the State's intervention in regional

⁴²⁸ See Bruno Dente 1985: *Governare la frammentazione: Stato Regioni ed enti locali in Italia* Bologna: Società Editrice Il Mulino p. 261.

⁴²⁹ See Mario Caciagli 2003: *Regioni d'Europa: Devoluzione, regionalismi, integrazione europea* Bologna: Il Mulino Universale Paperbaks p.21.

⁴³⁰ See Carlo Desideri and Vincenzo Santantonio: 'Building a Third Level in Europe: Prospects and difficulties in Italy' *Regional and Federal Studies* Vol. 6 Issue 2 Summer 1996 pp. 97-98.

competences. Decentralization was not accompanied by appropriate reform of the administrative structures of the State, leaving important command and control capacities in the hands of State bureaucrats. In many cases this rendered decentralization of competences ineffective. Finally, decentralization of competences was not accompanied by an appropriate set of financial capacities, increasing regions' dependency on the State.

On the other hand, regions, as a result of the activities of regional politicians, were successful in entering the structure of the Italian political system. Regions' structures of representation increasingly placed pressure on the decisional structures at the center, adding to the political weight of the regions. This operation took place in the midst of a process of diminishing the overall notoriety of the regions, as an institutional tier, in the political scene. Regional authorities were more concentrated on managing their sphere of political autonomy conquered in earlier phases of the process of decentralization, rather than in mobilizing further reforms of the system.

II.2 The problem of region's projection abroad: the initial steps of Italian regions in the realm of international co-operation

The problems with recognising regions' capacity to act abroad somehow summarized the above mentioned tendencies. Whereas during the seventies the minimalist framework for regional reform defined strict limits for regional projection abroad, the furthering of the process of European integration (which increasingly affected regional policy) and the increasing importance of transborder relations as well as the progressive internationalisation of the economy sent clear signals to the regions of the end of the State's monopoly of foreign relations. Yet, changes in the realm of regions' foreign projection during the eighties and the early nineties were not the result of major institutional reforms but the consequence of a process of political bargaining between national, regional and local elites.

According to Palermo, during the eighties the problem of a region's projection abroad intensified. Regions were more and more exposed to the effects of the internationalisation of economic exchanges as well as the process of European integration which had an increasing impact on regional policy. Thus, regions were increasingly in need of some kind

of international projection to implement many of their capacities and manage the sphere of regional autonomy⁴³¹.

As he further argues, the second half of the eighties witnessed an increasing co-ordination between the State and the regions regarding foreign policy. Yet, this is not the result of further reform of the institutional edifice for the vertical distribution of powers, but a direct consequence of the mobilization of the above mentioned arenas of interest representation. In 1987, the Permanent Conference of the State-Regions-Autonomous Provinces approved an agreement by which, while foreign policy remained principally a State prerogative, the specific role of the regions in the realm of foreign relations was recognised. This agreement was further implemented in the context Law on International Co-operation approved in 1987 which recognized the possibility of regional and local governments' participation in co-operation schemes. Yet, the participation of sub-state units was strictly monitored by the State administration, who had the right to control every single international contact established by regional, provincial or local authorities⁴³².

Regional participation in international co-operation activities was further developed in a document from the Ministry of Foreign Affairs: *'Linee di indirizzo del CIS per lo svolgimento di attività di cooperazione allo sviluppo da parte delle regioni delle provincie autonome e dagli enti locali'* issued in 1989⁴³³.

The document identified two main areas where sub-national units could develop their activities. These areas were: firstly, the so-called activities within the Italian territory; secondly, promotion, coordination and implementation of international co-operation projects.

Within the first category, the region was bestowed with powers to organize and coordinate different activities related to education for development and capacity building projects in

⁴³¹ See Francesco Palermo 1999: *'Il potere esterno delle regioni: Ricostruzione in chiave comparata di un potere interno alla costituzione italiana'* Verona: Casa Editrice Dott. Antonio Milani p. 106-107.

⁴³² See Francesco Palermo 1999: *'Il potere esterno delle regioni: Ricostruzione in chiave comparata di un potere interno alla costituzione italiana'* (op. cit.) p. 108.

⁴³³ See Ministero degli Affari Esteri, Direzione Generale per la Cooperazione allo Sviluppo: *'Linee di indirizzo del CIS per lo svolgimento di attività di cooperazione allo sviluppo da parte delle regioni delle provincie autonome e dagli enti locali'* (Approvate con delibera n. 12 dal Comitato Interministeriale per la Cooperazione allo Sviluppo nella riunione del 17-3-1989)

Italy. Furthermore, sub-national units could develop activities destined both to enhance the capacities of NGOs established on the territory and to ensure the participation of local communities in cooperation activities with less developed countries. Finally, the region was charged with establishing documentation and information instruments.

In the second place, the State recognized the capacity of sub-state units to present project proposals to the central government and to promote their own activities within the context of Italian overseas aid. These capacities were very much restricted. Sub-national units were forced to conform with priorities of the Italian State's foreign policy.

Firstly, sub-state units could develop their own projects in those specific realms where they had an exclusive competence. Projects should be oriented to capacity building and the strengthening of local institutions in less developed countries. These projects should enhance the participation of local communities and private actors. Finally the participation of Italian communities of emigrants was positively evaluated.

Secondly, sub-state units got recognized proposal capacities. They were entitled to propose to the central government projects that could be better developed by a lower tier of government. Yet, the co-operation activities of sub-state units derived from this proposal capacity were defined as 'intergovernmental cooperation' and, as a consequence, had to respect the priorities established by the national authorities. The projects proposed by sub-state units were evaluated by a Mixed Commission and the Foreign Affairs Ministry to be incorporated later on into the different national country-programs. Moreover, all international contacts established by the regions or localities during the project definition process had to be reported to the national authorities. Finally, once the project had been defined by the sub-national unit, the national administration would decide among all the proposals which projects would be implemented by the sub-national units.

By the early nineties Italian regions got recognized limited capacities to go abroad. Within the realm of foreign aid, regions could co-operate with Italian institutions and develop projects within the Italian territory and abroad. Yet, all these capacities, as we have seen before, were severely monitored by the Foreign Affairs Ministry, who could control the activities of the region both at the decision-making phase and at the implementation phase.

The following sections explore Tuscany's first attempts to develop their own international co-operation projects within the limits imposed by the *Linee di indirizzo* established by the Ministry of Foreign Affairs.

II.3 The origins of Tuscany's decentralized aid for development policy. *La regione nella tana?*

Despite the fact that most analysts would situate the origins of Tuscany's engagement in decentralized aid policies in 1999, the *Regione Toscana* had already issued a regional law directed at regulating international co-operation activities by 1990. This document is the *Legge Regionale* 10 Ottobre 1990 n.66, from now on L.R. 66/90. For the first time in a regional law, emergency relief, which have been subjected to *ad hoc* legislation in 1989 and 1990⁴³⁴, shares the same space with other kinds of activities in the realm of co-operation with less developed countries. In this respect the L.R. 66/90 marks the initial phase of a proper regional concern with international aid for development issues.

The L.R. 66/90 included two important sections. One was devoted to defining the range of regional activities in the aid realm. A second one was devoted to establishing a specific set of administrative structures devoted not only to the implementation of the policy itself, but also to further regulation of regional international co-operation activities. In the following paragraphs we will try to present briefly how this system worked.

The L.R. 66/90 defines, in article 2, the tasks of the regional administration in the aid sphere. Article 2.1 states, as the first task of the region, the '*promotion and the coordination of all the initiatives taken, within the limits of the regional territory, in the realm of co-operation activities as they are defined both in national and European legislation*'. Thus, the regional administration assumes general coordination tasks whilst it devotes the subsequent paragraphs of Article 2. to the definition of more specific functions.

Article 2.2 lists the specific functions of the regional administration. These are:

⁴³⁴ See Legge Regionale 23 Febbraio 1989 no. 14 *Contributi per le opere di soccorso a favore della popolazione dell'Armenia* and the Legge Regionale 30 Aprile 1990 no. 59 *Iniziativa di solidarietà in favore della popolazione Rumena*.

- Enact all the necessary activities destined to promote the main ends expressed in Article 1. These activities include: the enactment of projects pursuing the integral development of specific areas in least developed countries (LDCs), the construction of infrastructure, the development of research schemes destined to improve the implementation of the different programs.
- Employ qualified personnel for the implementation and evaluation of the development projects.
- Promote the education of LDC's immigrant communities residing in Tuscany, as a means of favoring the integration of these communities in Tuscany, but also in order to favor re-integration in their original countries.
- Sustain NGOs' activities and projects.
- Enact programs of education and sensitization and all the initiatives favoring cultural exchange among territories.

Finally, Article 2.3 includes a specific reference to the realm of emergency aid. To this end, the region will act in the event of '*natural disasters or situations of deprivation which threaten the survival of the population*' through directly providing specific goods or qualified personnel.

This apparently advanced set of capacities and functions established in the L.R. 66/90 was limited by pre-existing national legislation⁴³⁵. As we have already seen, the document '*Linee di indirizzo del CICS per lo svolgimento di attività di cooperazione allo sviluppo da parte delle provincie autonome e degli enti locali*' clearly differentiates two spheres of activity: firstly, those activities that are developed within the Italian territory; secondly, those activities that have an international dimension.

⁴³⁵ It seems that the limits imposed by the national legislation were widely respected, at least in the context of the international co-operation activities of ordinary regions. I would like to thank Stefanie Wobbe for arguing quite convincingly on this issue.

The first type of activities included education, sensitization, personnel formation and the support of Italian NGOs' activities. In these areas regions and localities were guaranteed a great level of autonomy.

The second type of activities included those activities that have an international dimension, namely activities related to the promotion and implementation of co-operation schemes with territories in different countries. These were defined by the national legislation as intergovernmental relations, thus they were necessarily controlled by the state who was the sole administration with a constitutionally recognized capacity to act internationally⁴³⁶.

Therefore, the picture in 1990 is one of tight State control of regional activities in the aid realm. As we have seen, according to the existing legislation a region could barely move outside Italian territory without complying with a number of State norms and controls.

However, the capacities of regional administrations as funding entities were understood as an activity taking place within the limits of the Italian territory, thus not being subject to the tight controls reserved to those activities that implied intergovernmental relations.

II.3.1 The 1990 legislation and the pre-existing activities of local governments and NGOs

International co-operation activities were by any means a novelty in Tuscany's territory by 1990. As one informant puts it, 'Since the late eighties a number of local NGOs were working hand in hand with local governments'⁴³⁷.

According to the same informant, problems derived from the integration of immigrants had compelled local governments to approach the NGOs since they were perceived as the only

⁴³⁶ In addition, we should not forget that the State had first the possibility of recourse against a supposed violation of the division of competences to the Constitutional Court, and second, control of the financial capacities of the regions. The dependency of Italian regions on State transfers is widely acknowledged in the existing literature as one of the main problems for the proper development of a regional tier of government in Italy. Some examples are: Cassese and Torchia: 'The meso level in Italy' in Sharpe J.L. (ed) 1993: *The Rise of Meso Government in Europe* London: SAGE publishers pp. 91-113; Bruno Dente: 'Sub-national Governments in the long Italian Transition' in *West European Politics: Special Issue on Crisis and Transition in Italian Politics* edited by Martin Bull and Martin Rhodes' Vol 20. No.1 January 1997 pp. 176-193

⁴³⁷ A unique example of this is the Istituzione Centro-Nord-Sud at the Province of Pisa. Interview conducted on the 14th of November 2003.

organizations present in the territory which were skilled enough to deal with immigrants' needs.

Yet, even if co-operation between NGOs and local authorities was initially conceived to address the process of immigrant integration in the local community, it can be said that by the beginning of the nineties, the scope of these cooperation schemes stretched far beyond the regional borders⁴³⁸.

Moreover, Marcella Pulga has shown that in specific cases, such as the commune of Sesto Fiorentino and the co-operation with the Saharawi people, the double membership of activists in NGOs and in the local council helped the introduction of international co-operation in the local political agenda⁴³⁹.

The importance of the pre-existing substratum of international co-operation activities present in the territory was recognized by the regional administration, as we have already mentioned, in Article 2.2.d, where it is claimed that one of the functions of the regional administration will be to 'sustain NGOs' activities and projects'.

However, this is not the only reference made in the documents to the role of NGOs and localities in the co-operation policy in Tuscany. Actually, as we will see in the next section, the L.R. 66/90, when dealing with the definition of the administrative structure in charge of implementing aid schemes, reserves an important role to NGOs and local governments.

II.3.2 The administrative structure of Tuscany's international co-operation and the participation of NGOs and localities

Articles three to eight of the L.R. 66/90 were devoted to the establishment of an administrative structure in charge of implementation of the policy. The structure was

⁴³⁸ Interview carried out on the 14th of November 2003. However, there is little evidence to support this assertion. I have not been able to find data on the number of NGOs or on the existing schemes of co-operation between local governments and NGOs. Yet, it is a widespread impression among informants coming from different institutions and organizations that the pre-existing activities of local NGOs played an important role in the definition of regional international co-operation schemes.

⁴³⁹ See Marcella Pulga: *'Dal movimentismo alla solidarietà come mestiere: l'intervento delle ONG italiane nella questione saharawi'* Tesi di laurea in Governo Locale. Università degli Studi di Firenze. Facoltà di Scienze Politiche «Cesare Alfieri» Indirizzo politico-sociale. Anno accademico 2001-2002. pp. 69-74.

independent of the *Giunta Regionale* (regional government). It was divided into two main sections/organs.

On the one hand, an *Ufficio Gabinetto* was created, its main function being the provision of technical support and advice⁴⁴⁰.

The second entity was the *Consulta per la cooperazione allo sviluppo*⁴⁴¹. The *Consulta* was composed of at least fifteen members, the total number depending on the number of local NGOs present. Apart from local NGOs and the 4 members representing the regional government, the *Consulta* includes a representative from the ANCI⁴⁴², a representative from the URPT⁴⁴³ and a representative from the UNCEM⁴⁴⁴. The remaining members of the *Consulta* represented different sectors of Tuscany's society such as the trade unions or local entrepreneurs⁴⁴⁵.

According to Article 6 the functions of this *Consulta* were the following:

- Proposal, within the limits established by national legislation, of the geographical and material priorities for the co-operation activities. This proposal capacity should be exercised taking into consideration the needs of the recipient countries.
- Collect and evaluate the project proposals presented by different public and private subjects.
- Proposal of a program of activities, to be approved by the *Giunta Regionale*
- Evaluate previous years' activities.

As we have seen, the regional legislation left room for local governments and local NGOs to influence both the policy definition and the implementation processes. Three reasons might account for this.

⁴⁴⁰ Art.3 L.R. 66/90.

⁴⁴¹ Art.4 L.R. 66/90.

⁴⁴² *Associazione Nazionale Comuni Italiani*.

⁴⁴³ *Unione Regionale delle Provincie Toscane*.

⁴⁴⁴ *Unione Nazionale Comuni Comunità Enti Montani*.

⁴⁴⁵ For a detailed list of the members of the *Consulta Regionale per la cooperazione allo sviluppo* see Art. 4.2 L.R. 66/90.

Firstly, for an ordinary regional administration in Italy aiming to develop its own international co-operation policy, the only way in which it could ever elude the controls established by the national legislation was to operate through NGOs. As we have already seen, the Italian government regarding the funding of NGOs' as an activity which did not imply 'intergovernmental contacts' and therefore corresponding to the internal dimension of regional politics. When the new system of the L.R.66/90 was created, the regional administration would have found co-operation with NGOs an easy way to have an external projection in the realm of international co-operation.

Yet, NGOs were an important stakeholder for the regional aid system for two further reasons. On the one hand, the importance of pre-existing co-operation activities set an important limit to a regional administration's creativity. By the time the regional administration decided to engage in development aid policies, NGOs already had a long-standing experience of co-operation with other institutions. The most important partner was the Italian State, but, as we have already seen, NGOs have also been successful in establishing co-operation schemes with local authorities. Since national legislation almost forced the regional administration to operate through NGOs, their experience as a development stakeholder at the local level was a key resource in the process of bringing both NGOs and localities to a relevant position in the regional system of international aid⁴⁴⁶.

On the other hand, the regional administration faced the problem of a lack of expertise in the field of international co-operation. Since the regional administration lacked the necessary experience to put forward its own international co-operation schemes it had to rely on the experience of other organizations and institutions, such as the local NGOs or the localities with which they have co-operated. As one informant put it, *'the regional administration followed the model established by NGOs and localities, and it is only with the development of a stronger regional administration that the region was able to push forward its own agenda on development issues'*⁴⁴⁷.

⁴⁴⁶ In addition to Article 2.2.d, which specifies that funding NGOs' initiatives is one of the tasks of the regional administration, the L.R. 66/90 states in Article 8.1 that 'the region will favor the co-operation activities promoted by local governments. At the same time the region will promote coordination between local initiatives and the national and regional activities'.

⁴⁴⁷ Interview carried out on the 12th of November 2003

II.4 Tuscany's decentralized aid in the early nineties: a mystery enveloped in an enigma wrapped with a riddle?

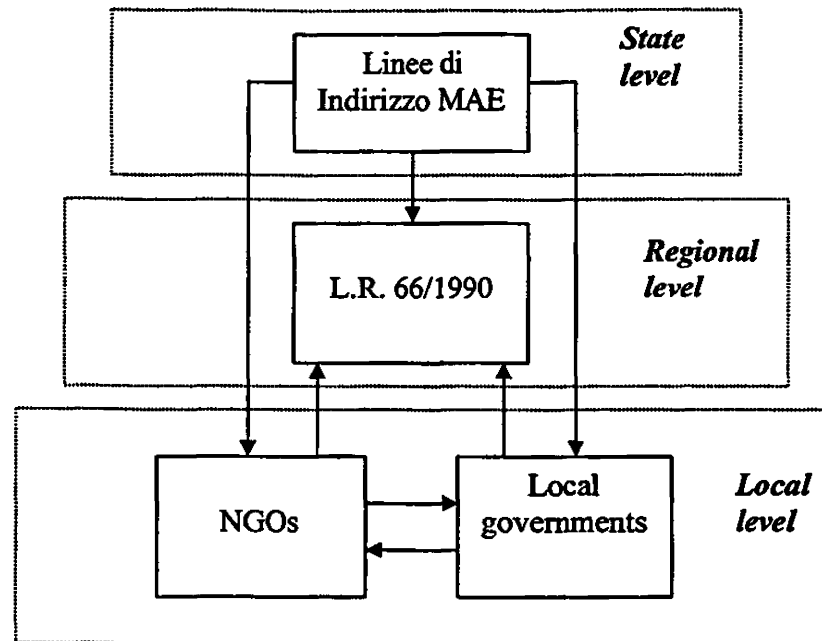
At the beginning of this section we claimed that despite the existence of the L.R. 66/90 most of the informants we have come across in this research tended to situate the origins of Tuscany's decentralized aid policy in 1999. The denial of the existence of a proper policy before the enactment of the *Legge Regionale* 23 Marzo 1999 no.17, does not allow us to go much further than what it has been said in the previous sections.

Taking into account this limitation, we can preliminarily conclude that Tuscany's first steps in the development aid realm were very much limited from above but also from below. From above, the state's extremely rigid conceptualization of the division of competences imposed a burden on regional international activities, and specifically on its capacities to operate in the aid realm, leaving them practically with the sole chance to act through financing NGOs' activities.

From below the pre-existing co-operation schemes between NGOs and localities in addition to the regional administration's condition of newcomer placed the regional administration in a dependent position with respect to local NGOs.

As we have seen, the regional administration tried to put forward a 'coordinator' profile. However, it is very difficult to assess whether the region was able to exercise effectively these co-ordination tasks, or whether it ended up being a subsidizing institution. Again the darkness surrounding this period renders the task of clarifying this issue almost impossible. The fundamental features of Tuscany's decentralized aid programs in the nineties can be summarized in the following figure:

Figure 23: Decentralized cooperation in Tuscany 1990



The figure above shows how decentralized aid in Italy in the early nineties resulted from the interaction of three different tiers of government. Firstly, in the late eighties NGOs and local governments established co-operation schemes as a means of dealing with the problems derived from the integration of immigrant communities in the territory. Secondly, at State level, the Ministry of Foreign Affairs (MAE) regulated those activities through the *linee di indirizzo*. As we have seen, the document foresaw a set of tight controls on the activities of sub-state authorities in the realm of international co-operation. Finally, the regional level found itself trapped between early local initiatives and the State's control the external projection of sub-state actors. Tuscany's authorities vested the region with co-ordination capacities. Yet, it is not clear whether the regional administration was able to create a clear-cut profile as an international co-operation actor, or exert any influence over the other two actors involved. The text of the L.R. 66/90 tends to support pre-existing activities in the territory, while it recognizes the limits imposed in national legislation. Apparently, Tuscany's administration did not have a clear set of preferences along which to structure its engagement in international co-operation policies.

III. 1999: A new decentralized aid system for Tuscany

The end of the nineties signaled a turning point in Tuscany's international co-operation policy. In 1999 the regional administration issued a new regional law on international co-operation (L.R. 17/99 di 23 Marzo), which introduced a number of major changes with respect to the structure established in the L.R. 66/90. Such was the range of these changes that many informants do not hesitate in situating the origins of regional engagement in foreign aid policies precisely in 1999.

The following sections explore Tuscany's international co-operation policy after 1999. First, we analyze the political context in which the L.R. 17/99 was issued. The so-called crisis of the first republic has had a tremendous impact on the structure of centre-periphery relations in Italy and in the configuration of the territorial model. At the same time, the crisis of Italian bi-lateral overseas development aid (ODA), which was the consequence of both the fiscal crisis of the State and the rise of corruption scandals, resulted in a process of restructuring the international co-operation system. Italian authorities placed the emphasis on the multilateralization of aid and tried to incorporate sub-state institutions as a means of surmounting the crisis of public trust in State agencies.

Secondly, we present the main novelties introduced by the L.R. 17/1999. These changes can be structured along three major questions. Firstly, a new categorization of the different areas of activity and the capacities of the region is introduced. Secondly, the L.R. 17/99 introduces the *piano regionale*, a programmatic document in which the policy preferences are defined. The third instrument of change is the *tavoli di coordinamento per area geografica*, which involves all the actors operating in the same geographical area. The second section is structured as to analyze the impact of these changes in the structure of Tuscany's international co-operation.

In the final section we place the evidence gathered on the nature of Tuscany's international co-operation policy after reform under the light of the theoretical framework that we have presented in the first part of this dissertation.

III.1 The changing the nature of Italian politics and Tuscany's international co-operation

III.1.1 Crisis and change in Italy's territorial politics in the 1990's

John Agnew has defined Italy as a heavily centralized state that has recently undergone a dramatic breakdown of its old system of managing severe geographical cleavages, in particular the North/South division and the rise of contending visions among new political parties of how Italy can be reconstructed⁴⁴⁸.

In the early nineties the unique party-mediated political economy of Italy disintegrated. This was a system whereby various sectoral and geographical groups had been integrated into the national economy largely through the use of state resources mediated by the parties⁴⁴⁹.

According to Guzzini the Italian system before the 1990's can be defined as a "dualistic clientelistic system": *'In an implicit contract, an externally oriented economic sector in the North and a domestically oriented, increasingly public and service oriented, sector in the South were accommodated. Clientelism managed domestic consent in a segmented society and buffered the effects of the necessary opening to the European and wider international system'*⁴⁵⁰.

This party-state system, or oligarchy of parties allied to networks of particular interests, had its roots in the permanent exclusion of the Communists from national government. The Christian Democrats, the dominant party of government from the late 1940s until 1992, could rule only in coalition with other parties. Permanence in office and the need to reward partners led to a systematic spoils system in which the State served as a source of favors to allies⁴⁵¹. Parties colonized the public administration and, through an extensive system of

⁴⁴⁸ See John Agnew 2002: *'Place and Politics in Modern Italy'* Chicago: The University of Chicago Press p. 191.

⁴⁴⁹ See John Agnew 2002: *'Place and Politics in Modern Italy'* (op. cit.) p. 196.

⁴⁵⁰ See Stefano Guzzini: 'The long night of the First Republic: Years of Clientelistic implosion in Italy' *review of International Political Economy* 2 1995 p.31

⁴⁵¹ See John Agnew 2002: *'Place and Politics in Modern Italy'* (op. cit.) p. 196.

state intervention, extended their reach into the civil society. They organized their supporters through exclusive subcultures in which loyalty was largely taken for granted⁴⁵².

Politicians succeeded insofar as they could mediate between particular interests and generate financing for the party. Firms and parties rewarded one another in an organized and increasingly formalized cartel of covert political alliances, state contracts and bribery. Yet, parties not only divided spoils vertically, they also shared them horizontally. Different parties and factions of parties had dominant roles in mediating between Rome and the various regions and localities where they were most strongly embedded⁴⁵³.

Following Guzzini's analysis, by the end of the eighties the main parties and the interest groups involved in the system had reached an impasse with one another. In particular, as a clientelistic logic became more and more central to political consent through exchanges of votes for resources or favors, the more it lost legitimacy and the more it needed to resort to covert exchanges, which in turn undermined legitimacy, and so on⁴⁵⁴.

The growth of the national budget and the pressure of both the European Union and international trade dramatically reduced the value of the system to many of its previous beneficiaries and called into question the bargain struck between the parties and the Italian society. The increased corruption of the regime, as it came to rely more on illegal transactions and links with the organized crime, produced a break in the contract between the rulers and the ruled that gave rise to the criminal investigation of leading politicians and businessmen beginning in 1992 and the subsequent withdrawal of popular support for the main parties in government⁴⁵⁵.

The new parties that emerged from the wreckage of the so-called first republic had to embark on defining themselves in relation to the new Italian reality in which the old mechanisms for national integration had largely broken down⁴⁵⁶. A party such as the *Lega*

⁴⁵² See Michael Keating 1999: *The Politics of Modern Europe: The state and Political Authority in the Major Democracies. Second edition* Cheltenham, U.K.: Edward Elgar p.232.

⁴⁵³ See John Agnew 2002: *'Place and Politics in Modern Italy'* (op. cit.) p. 197.

⁴⁵⁴ See Stefano Guzzini: *'The long night of the First Republic: Years of Clientelistic implosion in Italy'* (op. cit.) p. 54.

⁴⁵⁵ See John Agnew 2002: *'Place and Politics in Modern Italy'* (op. cit.) p.198.

⁴⁵⁶ Yet, whereas they were able to reach an agreement on important policy changes (i.e. policy adaptation in order to meet Maastricht criteria), they were much less able to put forward proper institutional transformations. See Sergio Fabbrini: *'Political Change without Institutional Transformation: What can we*

Nord took advantage of the wreckage of the system to place an agenda of political decentralization at the forefront of the political scene.

The *Lega Nord* is one of the most important examples of the novelties introduced in the Italian political system after the collapse of the system in 1992⁴⁵⁷. Firstly, it originally remained outside the traditional red-white (Communist-Christian Democrats) ideological axis, which structured most of the politics of the 'First Republic'. It founds its origins in a set of minor ethno-political groups, such as the *Lega Lombarda* or the *Lega Veneto*, which appeared on the political scene of Italy's northern regions in the eighties. These groups emphasized the existence of a distinct northern identity, which could be observed in the cultural traditions of these regions⁴⁵⁸.

Secondly, according to Desideri, since the beginning of the nineties the *Lega Nord* has been able to structure a broader political program along the lines of a geographically defined political identity. The *Lega* seeks a fundamental, territorially-based redistribution of political power, re-interpreting the political crisis of the early nineties to support the construction of Padanian identity and vice versa (that is, using the communal virtues of the Padania as a justification for broader political change). The limits of the *Lega*'s claims have moved from blunt claims for independence of the Northern provinces configuring the so-called Padania (mostly in earlier stages, where the party used an anti-system rhetoric) to the defense of federalism (in later stages, where the party has adopted a more pro-system profile, being part of the centre-right political coalition and participating in both Berlusconi's governments)⁴⁵⁹.

The emergence of the *Lega* as an electoral force, its incorporation in the Berlusconi coalition (*la Casa della Libertà*), which since then has included devolution in its political program, and *Lega*'s participation in the second (long) government of Silvio Berlusconi (2001-2006?) has triggered a strong debate on the necessity of empowering sub-state levels

learn from the Italian Crisis of the 1990s' *International Political Science review* 2000 Vol. 21 No.2 pp. 173-196.

⁴⁵⁷ Together with the rise of Silvio Berlusconi and his party *Forza Italia*.

⁴⁵⁸ See among others: Anna Cento Bull and Mark Gilbert 2001: '*The Lega Nord and the northern question in Italian politics*' New York: Palgrave Macmillan pp. 9-38; Ilvo Diamanti 1993: '*La lega: geografia, storia e sociologia di un nuovo soggetto politico*' Roma: Donzelli pp. 69-107; Thomas W. Gold 2003: '*The Lega Nord and contemporary politics in Italy*' New York: Palgrave Macmillan pp. 79-120.

⁴⁵⁹ See Carlo Desideri and Vincenzo Santantonio: 'Building a Third Level in Europe: Prospects and difficulties in Italy' (*op. cit.*) pp. 99-100

of government, forcing all political forces in Italy to a major realignment regarding the decentralization of political authority⁴⁶⁰. As an authoritative commentator on Italian politics states, *‘È stato il movimento attuato da Bossi a portare in cima all’agenda delle riforme il federalismo’*⁴⁶¹.

Nevertheless, the rise of regionalism in the political agenda of institutional reform in Italy cannot be conceived as the sole effect of the rise of a political party such as the *Lega Nord*. Carlo Desideri has noted how, *‘since the end of the eighties the regions have produced a stream of proposals with the following demands: expansion of regions’ competences; provisions for their direct participation in the national political and legislative process through the creation of a Regional Chamber; the granting of financial autonomy through changes in the regional tax base and the distribution of central government taxes; and direct participation in the EU policy-making process’*⁴⁶².

These demands have been accompanied by new modes of political mobilization leading to the constitution of a new form of regionalism in Italy which is the manifestation of a bottom-up process of articulation of demands rather than a top-down process, typical of the period of creation of the regions in the seventies⁴⁶³. As Caciagli has pointed out, the first half of the nineties witnessed increasing mobilization on the part of Italian regional elites and their representative bodies, which claimed further institutional reform in the context of a generalized political and financial crisis of the State apparatus⁴⁶⁴.

Since 1994, territorial reform has been a significant issue in Italian politics. Both left-wing and right-wing governments have tried to put forward major reforms, the last act of this drama being the Leghist proposal for territorial restructuring and devolution, recently approved by the Parliament. To establish the context in which Tuscany redefined its international co-operation policy, we will focus on three major reforms that occurred prior to 2000: First, the d.P.R of 31st of March 1994; second, the so-called Bassanini Laws and

⁴⁶⁰ See Carlo Desideri and Vincenzo Santantonio: ‘Building a Third Level in Europe: Prospects and difficulties in Italy’ (*op. cit.*) p. 99.

⁴⁶¹ See Leonardo Morlino 1998: *‘Giovanni Sartori: Una occasione mancata? Intervista sulla riforma costituzionale. Intervista sulla riforma costituzionale a cura di Leonardo Morlino’* Roma: Laterza p. 97.

⁴⁶² See Carlo Desideri and Vincenzo Santantonio: ‘Building a Third Level in Europe: Prospects and Difficulties in Italy’ (*op. cit.*) p. 98.

⁴⁶³ See Carlo Desideri and Vincenzo Santantonio: ‘Building a Third Level in Europe: Prospects and Difficulties in Italy’ (*op. cit.*) p. 99.

⁴⁶⁴ See Mario Caciagli 2003: *‘Regioni d’Europa’* (*op. cit.*) p.22.

the results of the *Bicamerale* Commission of the national parliament; and third, the Constitutional Law 1/1999.

The d.P.R of 31st of March 1994 offered a new legal framework for the development of a region's foreign activities. The decree is the result of a progressive change in the way in which the Italian territorial model had been working since the eighties onwards. According to Palermo, the system had evolved from the model of 'separate spheres of power' to the so called 'marbled cake model', by which the spheres of activity of different tiers of government were systematically entrenched, rather than separated⁴⁶⁵.

The decree was discussed and approved within the context of the Permanent Conference of State-Provinces-Regions. Following Palermo, the d.P.R of 31st of March 1994 represents a step forward in the recognition, on the part of the Italian State, of regional capacities to act abroad. Two major changes were introduced. Firstly, the so-called 'procedural benevolence' by which the controls established in previous legislation were substantially reduced. Secondly, the establishment of areas for 'regions' self-responsibility', which opened greater spaces for inter-institutional co-operation in the foreign policy realm⁴⁶⁶.

The d.P.R. of 31st of March 1994 created new possibilities for the projection of Italian regions abroad. The decree sought to enhance a region's capacities to act mainly at European level, but also in the international arena. As we have seen before, the evolution of the process of European integration implied that a region's capacities in areas such as economic planning or service delivery had an increasingly *ad extra* dimension, which was essential to it. According to Palermo, the d.P.R of 31st of March 1994 addressed the increasing gap between the reality of regional institutions' daily practice and the sclerotic constitutional structure, which foresaw very little space for a region's projection abroad⁴⁶⁷.

Yet, despite the relevance of the changes introduced by the d.P.R. of 31st of March 1994, the impact of the crisis of Italian politics on the territorial model was still to be felt in its greater consequences and intensity.

⁴⁶⁵ See Francesco Palermo 1999: '*Il potere esterno delle regioni: Ricostruzione in chiave comparata di un potere interno alla costituzione italiana*' (op. cit.) p.171

⁴⁶⁶ See Francesco Palermo 1999: '*Il potere esterno delle regioni: Ricostruzione in chiave comparata di un potere interno alla costituzione italiana*' (op. cit.) p.172

⁴⁶⁷ See Francesco Palermo 1999: '*Il potere esterno delle regioni: Ricostruzione in chiave comparata di un potere interno alla costituzione italiana*' (op. cit.) p.173

In 1997 the Italian parliament enacted two major pieces of legislation (laws nos. 59 and 127 of 1997) known as the Bassanini Laws, which put forward a new scenario for territorial politics in Italy, within the broader context of administrative reform in Italy.

Law 59/1997 empowered regional and local governments by conferring them with administrative responsibility in all areas "related to the protection of the interests and the promotion of the development of their respective communities" except those areas listed in the law itself. *'These included, as one might expect, foreign affairs, immigration policy, defense, the administration of justice, police and internal security.'*⁴⁶⁸

Law 127/1997 sought to continue the attempt to simplify administration in a number of areas of public life, by improving the efficiency of decision-making and reducing the extent of bureaucratic control procedures⁴⁶⁹.

The Bassanini laws pushed the constitutional framework for territorial politics in Italy to its limits. They established the maximum degree of sub-state autonomy that could be reached without altering the Vth Title of the Italian Constitution.

Bassanini laws were approved while the *Bicamerale* Commission of the National Parliament was still discussing the prospects for reforming the Vth Title of the Italian Constitution to establish a federal system of distribution of powers. Yet, by 1998 the Commission was dissolved without achieving a far-reaching agreement on the direction of institutional reform. Despite the prospects for greater devolution of functions and increasing fiscal autonomy for sub-state units, the so-called federal system lacked one basic institutional pre-requisite for these reforms to be correctly implemented, that is the establishment of a 'federal Senate' with strong powers.

Nevertheless, according to Newell, both the *Bicamerale* and the Bassanini Laws reversed the dominant conception of the nature of central-local relations in Italy. As he puts it, *'in affirming the relevance of such principles as subsidiarity and in raising the prospects of the dismantling of large parts of the machinery of supervision from above represent a*

⁴⁶⁸ See James Newell: 'At the Start of a Journey: Steps on the road to decentralization' in Luciano Bardi and Martin Rhodes (eds.) 1998: *Italian Politics: A review. Vol. 13* Bologna: Il Mulino; Oxford: Westview Press. p. 160.

⁴⁶⁹ *Idem.*

significant approach towards a model [...] in which sub-state units are something more than mere agents of the decisional center.⁴⁷⁰

By the end of the XIIIth Legislature, an ample majority in Parliament enacted a constitutional law (Law 1/1999) that foresaw the direct election of regional presidents and gave regions the power to determine their own form of government. As a result, after the elections in 2000 the regions had embarked on a very intense phase of innovation. Yet this phase of innovation is constrained by the very limits of institutional reform.

As Baldini and Vasallo stated, the need for a relatively major adjustment of the statutes and, more generally speaking, of the regional organization structure, had brought about the limited constitutional revision enacted in law 1/1999 and the transfer of administrative powers accomplished by the Bassanini laws. Yet the incomplete nature of the federalization process weighed heavily over the revision of the Statutes. Some administrative powers were in the process of being transferred and the political role of regional leaders had been reinforced. However, neither a new division of legislative and fiscal powers between the State and the regions had been defined nor had conditions been created to manage centrifugal forces in Italy, thus giving way to a transitional phase in which the limits of the public performance of Italian institutions were uncertain⁴⁷¹

The new rules of territorial politics in Italy are the result of the changes brought by the major crisis taking place in the early nineties. As a result of the collapse of the *partitocrazia* new parties arose, putting forward new understandings of traditional territorial cleavages in Italy. The ability of the *Lega Nord* to conquer a substantial electoral substratum pushed territorial restructuring to the top of the Italian political agenda. Between 1994 and 1999 a number of initiatives were taken. As a result, a major change in the philosophy inspiring

⁴⁷⁰ See James Newell: 'At the Start of a Journey: Steps on the road to decentralization' in Luciano Bardi and Martin Rhodes (eds.) 1998: (*op. cit.*) p.162

⁴⁷¹ See Gianfranco Baldini and Salvatore Vasallo: 'The regions in search of a new Institutional Identity' in Mario Caciagli and A. Zuckerman (eds) 2001: '*Italian politics: A review, Vol. 16*' Bologna: Il Mulino; Oxford: Westview Press p. 95-96. Furthermore, in the eyes of some commentators these federalist reforms were perceived as a dangerous enterprise. Giovanni Sartori, when asked to evaluate the federalist reforms, claimed '*Non posso essere molto fiducioso. Un federalismo fatto per accontentare Bossi e prenderne voti non può essere una cosa seria. Se si decide di trasformare la struttura dello Stato, lo si deve fare perché si è convinti che quel cambiamento è necessario e che sarà benefico. Non perché c'è un demagogo che dice: o mi concedi il federalismo o pure ti faccio perdere le elezioni e ti metto il Nord in subbuglio.*'. See Leonardo Morlino 1998: '*Giovanni Sartori: Una occasione mancata? Intervista sulla riforma costituzionale. Intervista sulla riforma costituzionale a cura di Leonardo Morlino*' (*op. cit.*) p. 98

territorial politics in Italy has taken place. Yet, the changes introduced by the Bassanini Laws and the Law 1/99 brought about a higher degree of uncertainty regarding the limits of institutional capacities and the structure of centre-periphery relations. As we have seen, whereas regions had been substantially empowered in their political capacities, it is not clear whether the appropriate instruments for managing the new space of regional political autonomy had been put to work

In this context of institutional uncertainty and open debate on the rules of territorial politics in Italy, Tuscany's administration decided to promote its international projection and the international co-operation program. In 1995 the regional government created the *Servizio Attività Internazionali* (Office for Foreign Activities), which controlled the increasing activities of regional projection at the European level, derived from the new regime established by the d.P.R of 31st of March of 1994.

The foreign projection of Tuscany had come to be a priority since the election of Vannino Chiti as regional president. As stated by Emidio Diodato and Ilaria Bugetti in a recently published book, the political program of the regional president elected in 1992 put to the forefront the internationalization of the region and its participation in the decision making process at the European level⁴⁷².

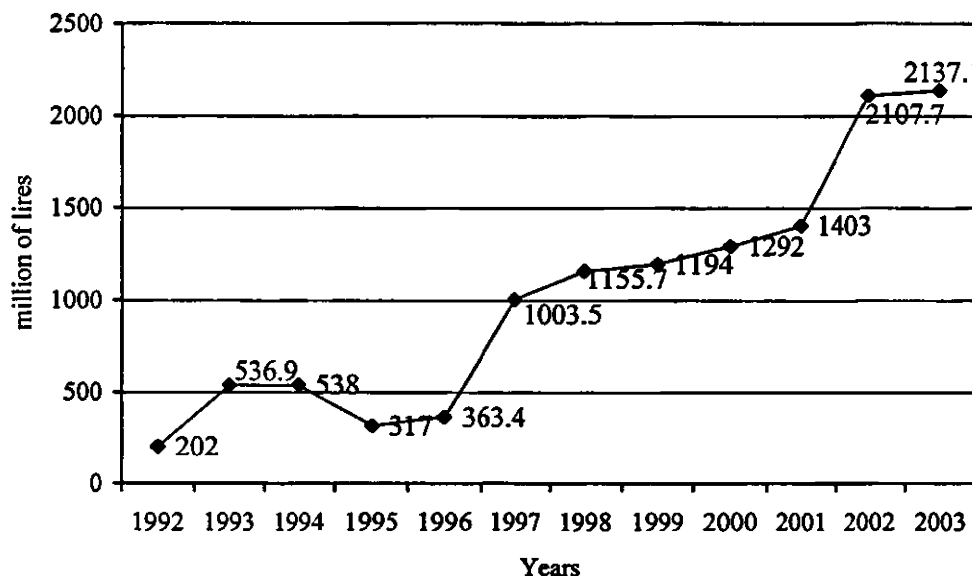
For the newly elected regional president, the reasons for this new emphasis on the international projection of Tuscany were twofold. Firstly, the process of European integration and the prospects created by the Maastricht Treaty and the Single European Act opened a new window of opportunity for regional mobilization in Europe. Europe was perceived as an increasingly important political arena where regions must actively promote their interests. Secondly, according to Chiti, the political action of regional institutions must reflect the socio-economic structure of a region which was increasingly dependent on the international projection of the Tuscan export sector. The *Servizio Attività Internazionali* was charged not only with establishing links with European institutions, but also to promote the Tuscan export sector and the internationalization of Tuscany's economy⁴⁷³.

⁴⁷² See Emidio Diodato and Ilaria Bugetti: 'La presenza internazionale della Regione Toscana (1970-2003)' in Emidio Diodato (ed.) 2004: *La Toscana e la globalizzazione dal basso* Firenze: Chiari, p.248

⁴⁷³ See Emidio Diodato and Ilaria Bugetti: 'La presenza internazionale della Regione Toscana (1970-2003)' (*op. cit.*) pp. 248-249

These two major axes were complemented by a total reassessment of Tuscany's decentralized aid for development policy. As discussed in the previous sections, the L.R. 66/90, in accordance with the *Linee di indirizzo* of the Ministry of Foreign Affairs, had established a regional system of international co-operation in which the region retained a co-ordination role between State's co-operation policy and the initiatives of local governments and organizations in the territory. Yet, the impact of the scheme approved by the L.R. 66/90 on a region's international activities was severely limited both by the strict controls established by the Ministry of Foreign Affairs and the lack of resources available during the early years of the 1990's (see figure below)

Figure 24: Total ammount of aid Tuscany 1992-2003



Source: Gabriella Panarese 2004: *La cooperazione decentrata della Regione Toscana*⁴⁷⁴

As shown in the figure above, from 1997 onwards, Tuscany's international co-operation policy enjoyed a phase of increasing budgetary relevance. As many informants have stated this is the result of an overall increase in the region's economic resources derived from the process of administrative decentralization initiated in 1994 and 1997.

⁴⁷⁴ Gabriella Panarese: 'La cooperazione decentrata della Regione Toscana' in Emidio Diodato (ed.) 2004: *'La Toscana e la globalizzazione dal basso'* Firenze: Chiari pp. 271-285.

Yet, the multiplication of regional funds for international co-operation activities is also a major consequence of an overall redefinition of the Italian aid system. As a result of a major crisis, regions and localities were more and more perceived as an important actor within the Italian aid system. In a context of harsh contestation of the results and the methods of Italian foreign aid, both the Ministry of Foreign Affairs and NGOs looked for innovative ways to approach international co-operation and enhance the role of decentralized aid. The next section briefly explores this issue.

III.1.2 The crisis of Italian aid and the emergence of decentralized aid in Italy

The nineties witnessed a major crisis of Italian aid, one consequence of which was a major re-consideration of the role of sub-state units within the overall aid system. Regions, municipalities and provinces in Italy had evolved from a subordinate position vis-à-vis the State as it was established in 1987 legislation towards a more balanced relationship in recent years. From 2000 onwards, the Ministry of Foreign Affairs has tried to incorporate regions and localities as active partners in Italy's overseas aid, emphasizing its role as the coordinator of different efforts and sensitivities.

As the OECD/DAC report on Italy states, '[In 1993] *Fundamental reform was being demanded. Investigating judges were laying bare a system of entrenched corruption involving political leaders, major industrial groups and organised crime. The aid programme was not immune from these developments. Although there was little evidence of corruption at the operational levels of aid administration, it was plain that aid management tools had been inadequate to ensure the integrity and effectiveness of a programme that had expanded too rapidly in the 1980s. Public confidence in aid had collapsed.*'⁴⁷⁵.

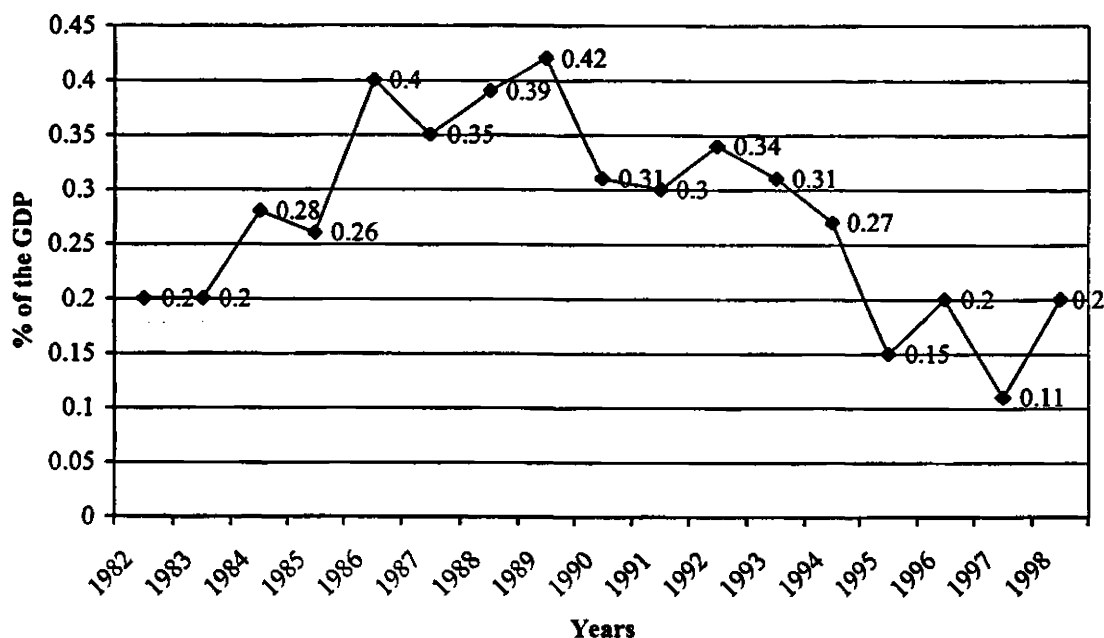
As the report further argues, '*since 1993 the level of state funding for non-governmental organisations has fallen drastically and there has been a crisis, resolved only by special legislation, in payments to NGOs*'⁴⁷⁶. [...] *But political circles and the public generally, remain sceptical of aid activities. Continuing parliamentary investigations have kept the*

⁴⁷⁵ See OECD/DAC 1996: 'Development Co-operation policy review of Italy. Summary and Conclusions'

⁴⁷⁶ Actually as the report recognizes such was the level of the crisis of Italian bi-lateral aid that NGOS were pushed to the multilateralisations of sources for funding development activities. See: *Idem*.

spotlight on the past errors in the official programme'⁴⁷⁷. Such was the crisis of Italian aid that it was only through rescheduling the payment of debt that Italian overseas aid remained over the threshold of 0,25% of GDP⁴⁷⁸. The crisis of Italian overseas aid is represented in quantitative terms by the following figure.

Figure 25: Evolution of Italian ODA as percentage of the GDP



Source: OECD/DAC: 'Review on Italy' *The DAC Journal* 2000 Vol. 1 No. 3.

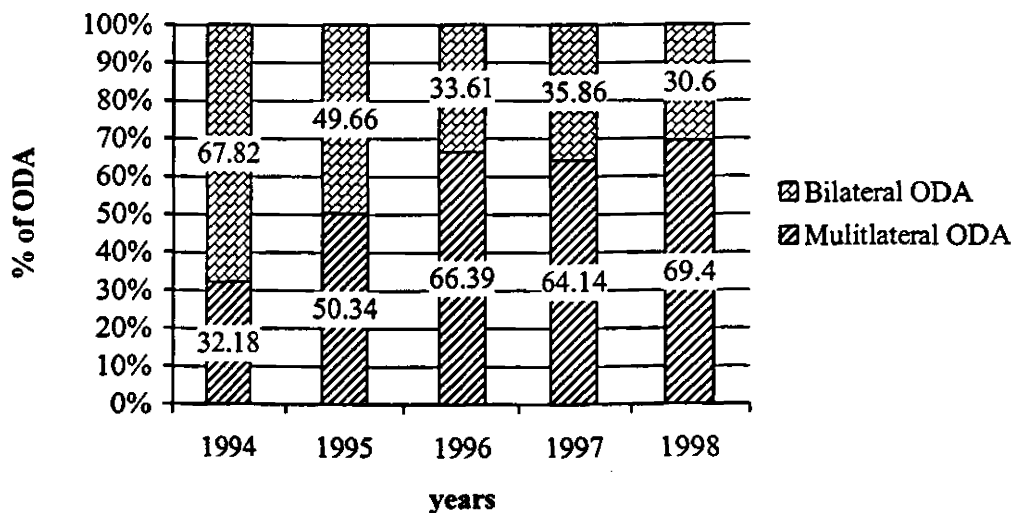
⁴⁷⁷ Fabio Fossati has described the functioning of the Italian aid system before the crisis of the early ninties in the following way: *'dopo la legge del '79 la cooperazione iniziò ad essere gestita direttamente dai partiti, seguendo la logica della lottizzazione. Si consolidò un contesto nel quale la selezione dei destin Atari rispondeva a logiche spartitorie tendenti a canalizzare gli aiuti verso le ex-colonie -gestite dai partiti di governo: Somalia dal Psi Etiopia dalla DC- o paesi marxisti-terzomondisti tipo Mozambico, Tanzania, che erano ideologicamente vicini al Pci. I partiti non delegavano più perchè gli aiuti potevano convertirsi in una fonte di finanziamento, l'enesima di tipo illegale, per le loro Attività. Negli anni ottanta i partiti né hanno individuato nelle Ong o nelle imprese private. Si è configurata dunque quella modalità di risoluzione dei conflitti tipica delle politiche interne, e cioè il compromesso che veniva attenuato attraverso le già citate micro/politiche. Non a caso, la legioslazione in materia di cooperazione allo sviluppo era piuttosto frammentata ; le diverse leggi succedutesi in tale settore hanno prodotto un caos istituzionale che favoriva l'inefficienza'* As he further argues: *'La cooperazione allo sviluppo si era bloccata. Nel '96, la Corte dei conti avrebbe presentato un rapporto sulla cooperazione italiana dall '87 al '94, denunciando un intreccio perverso fra i partiti, imprese pubbliche e private'* See Fabio Fossati 1999: *'Economia e politica estera in Italia: l'evoluzione negli anni novanta'* Milano: Franco Agnelli pp. 39, 49-53 and 147.

⁴⁷⁸ See OECD/DAC 1996: *Development Co-operation policy review of Italy. Summary and Conclusions* (op. cit.)

The crisis of aid forced the Italian government to look for a new way of defining the aid relationship. This new approach was to be found in the realms of multilateralism and decentralization, which from the mid-nineties onwards became the pillars upon which to rebuild the overall aid system.

Firstly, as shown in the graphic below, multilateral ODA began to have a greater role in the overall framework of Italian ODA since 1995. According to OECD data, from 1996 onwards multilateral ODA amounted to 65-70% of total ODA. This reconfiguration of the structure of Italian ODA is partially the result of the major drop in the overall amount of resources. As a result of the corruption scandals and the overall crisis of legitimacy of the aid system, many bi-lateral programs were severed. Moreover, as emerges from the reports issued by the OECD, the crisis of the aid system caused Italian authorities to concentrate their efforts in the realm of multilateral aid.

Figure 26: Multilateral and bilateral ODA in Italy 1994-1998



Source: OECD/DAC: 'Review on Italy' *The DAC Journal* 2000 (op. cit.).

Secondly, decentralized aid began to play a greater role in Italy's international cooperation. As recognized in an OECD report, by 1996 '*Italian local and regional authorities are now more involved and co-ordinated in the assistance effort.*'⁴⁷⁹.

Until 1993, local authorities had looked to the DGCS (Directorate General for Development Cooperation) for financing and co-ordination. The crisis of ODA in the early 1990s meant this was no longer possible.

Since the mid-1990s, local government levels financed and co-ordinated their own programmes. They provided modest inputs into a number of programmes (e.g. to the World Bank-led *African Municipal Development Programme*, the *Prodere Programme* in Central America, humanitarian relief in former-Yugoslavia under the *Tavolo di coordinamento* set up by the Prime Minister's Office).

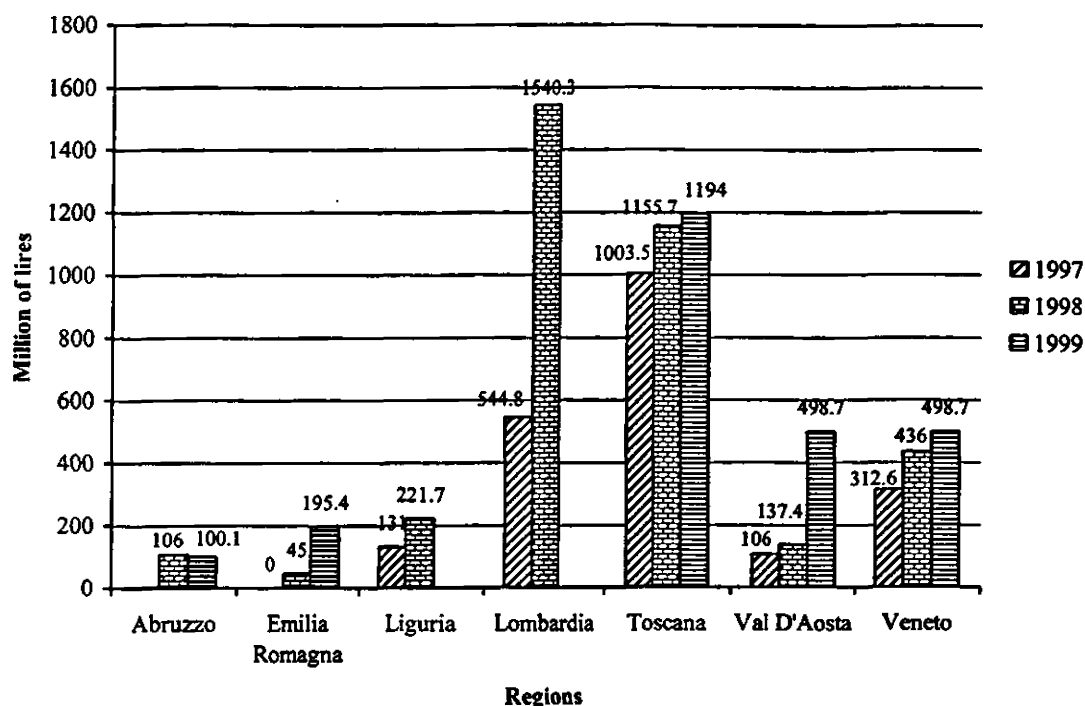
In the view of the DAC committee of the OECD, from 1997 onward, reforms of the territorial architecture of the Italian State enhanced regional political autonomy. At the same time, reforms of the Italian fiscal system had granted regions and local authorities a significant share of fiscal autonomy⁴⁸⁰. According to DAC this affected in a positive way the insertion of decentralized aid within the overall framework of Italian international cooperation⁴⁸¹. As shown in the graphic below, for the period 1997-1999, the general trend was to increase the amount of funds allocated to international co-operation activities, thus increasing the relevance of decentralized aid in the overall architecture of Italian international co-operation.

⁴⁷⁹ See OECD/DAC 1996: *Development Co-operation policy review of Italy. Summary and Conclusions (op. cit.)*

⁴⁸⁰ See OECD 2001: '*OECD Territorial Reviews: Italy*' Paris: OECD Publications pp.152-153.

⁴⁸¹ See OECD-DAC: '*Review on Italy*' *The DAC Journal* Vol. 1 No. 3, 2000 pp. 29-30

Figure 27: Comparative allocation of resources for international co-operation in seven Italian regions 1997-1999



Source: OECD/DAC: 'Review on Italy' *The DAC Journal* 2000 Vol. 1 No. 3.

In March 2000, the Ministry of Foreign Affairs approved the new *linee di indirizzo e modalità attuative della cooperazione decentrata*, which institutionalised a new role for decentralized cooperation schemes within the overall framework of Italian official development aid⁴⁸². The contents of this document can be summarized as follows:

Firstly, the document situates decentralised aid for development in the context of major changes in the agenda of international development. According to the text, decentralised aid for development has progressively gained momentum. The document traces a normative detour, including diverse declarations from international conferences on development where the importance of decentralised aid has been somewhat asserted. According to the

⁴⁸² See Ministero degli Affari Esteri, Unità di Coordinamento per la Cooperazione Decentrata: "*Linee di indirizzo e modalità attuative della cooperazione decentrata allo sviluppo*". Marzo 2000

document, decentralised aid has consolidated in the international aid realm as an important instrument to foster democracy and therefore development, in a context of globalisation which evidences both the link between the local and the global and the loss of power of the nation-state.

Secondly, the document explains the role of decentralised aid in the former international aid system, that is the framework established by the Legge n. 49/87 and the former *linee di indirizzo*. This is described as the result of an innovative approach on the part of Italian authorities to the problems of poverty and underdevelopment in the world. Yet, as is further recognised, major changes in the territorial structure of the State and in the international aid realm have forced both the national government and the sub-national units to rethink the instruments established by the former legal framework.

Thirdly, the document tackles the major challenges that Italian decentralised aid is facing in recent times and establishes new instances of co-operation and co-ordination between decentralised initiatives and national overseas aid programs.

The main challenge identified in the document is the problem of responding to the demands of enhanced sub-state units. According to the text, the decentralisation process in Italy has empowered the regions with new capacities and responsibilities. Moreover, sub-state governments have gained experience in the international realm, both by acting as partners of international institutions and in managing their own economic development programs. According to the document, regions are well-equipped to deal with a development agenda which is very much focused on the interaction of economic development, democracy and good governance (ensured through the decentralisation of political power). Therefore, a new framework that accounts for all these changes and challenges must be established.

The proposed system defines decentralised aid as the “*aid activities developed by sub-state units (localities, provinces and regions), which through the establishment of a partnership relation with similar institutions in LDCs, aims at the sustainable development of their territory*”. The *linee di indirizzo* establishes new instances for co-operation and co-ordination between national authorities and sub-national units. Firstly, it defines areas where the activities of sub-state units are especially welcomed. These activities are related to territorial management in LDCs, either in the form of support for the decentralisation

process or by helping sub-national governments in LDCs in dealing with territorial planning. Secondly, it defines a number of instances for co-operation between the central government and the sub-state units. Its scope is to ensure co-ordination and establish permanent communication channels among different institutional tiers that help to maintain policy coherence. In terms of co-financing national institutions are given the capacity to decide whether the proposal is worth the economic participation of the DGCS (Directorate General for Development Cooperation).

The new *Linee di indirizzo* established by the Italian Ministry of Foreign Affairs introduced a major change in the role of decentralized aid within the overall framework of Italian foreign aid. Whereas in 1987 the activities of sub-state units were to be severely controlled to preserve the integrity of the State's foreign policy, the new *Linee di indirizzo*, issued in 2000, conceived decentralized aid as an important marker of the overall Italian aid system.

III.2 *Una regione scatenata?* The new decentralized aid system in Tuscany

In 1999 the regional administration decided to integrate international co-operation into the overall strategy of foreign projection that had been taking shape in light of the new possibilities created by the d.p.R 31st of March 1994.

The regional government issued a new law on international co-operation, the L.R. 17/99, which introduced a number of major changes in the way decentralized aid was to be conceived. Firstly, a new conceptualization of international co-operation is introduced. International co-operation is perceived as a mutually beneficial relation established between two territories. The territorialization of international co-operation has led to the establishment of a system of decentralized co-operation structured along the principles of partnership and subsidiarity.

Secondly, in line with the major principles illustrated above, the region constructed a new structure for implementation of the policy. The new system integrates the regional administrative structure in charge of Tuscany's international projection with the system of *tavoli di coordinamento*. The *tavoli di coordinamento* are arenas of representation in which institutional and non-institutional actors operating in the realm of decentralized aid co-ordinate their activities and elaborate proposals for the regional administration.

Finally, through the establishment of a five year plan of international co-operation activities, the regional administration has established a clear-cut definition of both the material and geographical priorities of Tuscany's decentralized aid.

The following sections analyze the major changes brought by the L.R. 17/99 and the regional plan of international co-operation 2001-2005. The picture presented here is nevertheless rather static. Firstly, important data such as the origin of the resources employed by the region and the impact of other donors on the Tuscany's decentralized co-operation budget are missing. Secondly, the policy scheme defined by the L.R. 17/99 and the *piano regionale* 2001-2005 is a rather new phenomenon. Thus, it is very difficult at this point in time to identify major trends. The system seems to be evolving very quickly and it is still not consolidated.

Nevertheless, the following sections will try to compensate for these difficulties in offering a complete depiction of the policy as it is currently functioning. The analysis is structured as follows. Firstly, we will present the major changes in the normative underpinnings of the policy and its influence in the overall conception of decentralized aid in Tuscany. Secondly, we will look at the way in which these major changes have been implemented through the administrative structure and the selection of material and geographic priorities.

III.2.1 The 'new look' in international co-operation: the L.R. 17/1999 di 23 di Marzo and everything after

The L.R. 17/1999 represents not only a major step forward in Tuscany's engagement in international co-operation policy, but first and foremost a radical change in the way the role of the region in international co-operation is understood. This change operates at two levels. Firstly, the areas of competence of the region in the international co-operation realm are re-defined. Secondly, a new way of conceiving the region is presented. The region is defined as a territorial actor, thus focusing on the characteristic of the region as a multidimensional space rather than on the limits imposed by the interactions between institutions. The following sections analyze these two questions.

III.2.1.1 Redefining the sphere of regional competences in the international co-operation realm

Title I (Arts. 1-4) is devoted to defining the object and the main ends inspiring the L.R. 17/90. In this respect, Art. 1 refers to the main ends pursued in the document, whilst Arts. 2 to 4 define the different kinds of activities in which international co-operation is divided. The document recognizes three different types:

- Co-operation and international partnership
- International aid to LDCs.
- Emergency relief.

Co-operation and international partnership

Co-operation and international partnership is defined in Art. 2 as *'those activities destined to favor the integral development of regional and local communities and the co-operation between territories and institutions in different States'*.

The specific list of regional government 'capacities' within this kind of activity is issued in Art. 2.2. The most important are: one, the promotion of the participation of different actors within the framework of European institutions and programs; two, the promotion of town-twinning agreements; three, participation in all the agreements for co-operation in which local governments participate; and four, promoting exchanges of information and know-how.

The above mentioned activities were not included in previous legislation. According to the functions enlisted above, the region would foster international co-operation, acting as a mediator between different tiers of government. The region would support local initiatives profiting from the new opportunity structure created by the European institutions.

Furthermore, the region would act as a representative for local governments and other organizations, helping them to pursue their interests. For instance, it would accelerate

contacts with counterparts in other territories, or it would facilitate the access of different actors to relevant information and know-how for their activities.

International co-operation with LDCs

International aid activities in the new regional legislation can be defined in a nutshell as those activities that are related to the promotion of human sustainable development in LDCs⁴⁸³. Art 3.1 further specifies some features of international aid activities in Tuscany. According to this provision, the '*regional administration promotes and sponsors decentralized, non-governmental aid, encouraging the participation of all the members of Tuscan civil society.*'⁴⁸⁴. These activities must respect both the framework established by national laws and that of the European Union programs.

With respect to international aid activities it is worth noting the following novelties.

1. The region makes a clear categorization of its own activities in the international aid realm, which are defined as *decentralized non-governmental* co-operation. The use of these two adjectives is by no means casual.

The document employs the term 'decentralization' referring to a broader process than that of the formal attribution of competences among different layers of government. Decentralized aid activities are not centred on a single institutional layer, but encompass the activities of both the institutions and civil society organizations within a single territory. As one of the informants puts it: '*cooperazione decentrata è un modo di fare cooperazione tra comunità locali, non fra enti locali. Un rapporto, dunque, che si stabilisce con un*

⁴⁸³ Art. 3 L.R. 17/99 says: '*Gli interventi di cooperazione internazionale con i Paesi in via di sviluppo sono indirizzati allo sviluppo umano sostenibile su scala locale, al rafforzamento democratico delle istituzioni locali e della società civile alla ricostruzione e alla riabilitazione in seguito a calamità e conflitti belici, al rafforzamento dei processi di pace, al rispetto dei diritti fondamentali dell'uomo.*'

⁴⁸⁴ If we look at the list of tasks attributed to the regional administration in the realm of foreign aid, we find that the region is basically in charge of creating the institutional background to support initiatives already taking place in the territory. According to article 3.4 the region should:

- a. provide adequate infrastructure for the implementation of the developing projects
- b. employ qualified personnel in order to provide technical assistance and for the administration and evaluation of the cooperation projects
- c. sponsor professional education of LDC's citizens both in Tuscany and abroad
- d. sponsor professional training schemes
- e. participate in humanitarian intervention schemes and in all the initiatives intended to promote peace and democracy
- f. promote both educational programs on human development and cultural exchanges between Tuscany and LDCs.

*territorio, con un territorio di dimensioni grossomodo equivalenti per creare tutte quelle forme di sinergia e collaborazioni, e consente di avere rapporti diretti, rafforzamento reciproco e durata nel tempo, rispetto alla cooperazione del passato e a quella dell'emergenza*⁴⁸⁵.

This way of understanding the decentralised character of decentralised co-operation is echoed in the *piano regionale della co-operazione internazionale* when it states: '*Il sistema regionale è quindi fondato sull'azione integrata di tutti soggetti, sulle loro competenze e conoscenze e sulla messa in opera di strumenti di supporto allo sviluppo del sistema stesso*'.⁴⁸⁶

In sum, the regional administration uses this idea of decentralization to stress the territorial character shared by all the actors involved in the policy. Territorializing the policy means that all the actors in the territory must have a say in its definition according to its capacities and preferences. Therefore, the region would operate a kind of *primus inter pares*, which tries to integrate the capacities and activities of the different actors present in the territory.

Secondly, the region defines its activities as non-governmental. This expression might find its *raison d'être* in the way in which the State's legislation, through a restrictive interpretation of both constitutional law and doctrine settled by the Constitutional Court, used the concept of inter-governmental relations to impose tight controls on regional international activities⁴⁸⁷.

Yet the expression 'non-governmental' is not only a reminder of the supremacy of the state in the field of international relations, but it defines a broader philosophical background for regional engagement in international co-operation activities.

As we have seen in 1990's legislation, the Italian State had understood any kind of interaction between two institutions as an inter-governmental (i.e. diplomatic) activity. The territorialisation of co-operation implies a major change in the relative position of institutions and civil society. Re-dimensioning the role of institutions also means breaking

⁴⁸⁵ Interview with Malavolti conducted by Ilaria Bugetti on the 3rd April 2003.

⁴⁸⁶ See *Piano Regionale della cooperazione internazionale e delle attività di partenariato 2001-2005* p.18.

⁴⁸⁷ The inclusion of the non-governmental question in the definition of regional engagement in the aid realm, if only referring to the supremacy position of the State in international relations, was a superfluous measure. By the time the law was issued in 1999 the State had already changed its position from the restrictive vision explained in the former section towards a more open one.

the traditional borders between international (understood as inter-state i.e. government) and intra-national relations. Territories would interact as part of networks that blur the internal/external divide (and the control of a single government).

If the subject of co-operation is the territory (or the network of actors within a single territory) then the meaning of co-operation activities would lie far beyond the characteristics of one of the actors involved (i.e. institutional/governmental). In this way, the co-operation policy would represent a kind of international activity that lies beyond the interpretative limits of traditional international relations.

The 'territorial turn' is summarized by one informant at the regional administration in the following manner: *'C'è un dibattito povero sulla cooperazione internazionale. Questo dibattito è ancorato su categorie vecchie. [...] per esempio se può guardare dentro de il dibattito sull concetto di sviluppo locale, una delle cose più interessante è la persistenza dei rapporti [...] questo dibattito non c'è, [...] si rimendicano pezzetini di poteri però non se risponde alla questione della integrazione dei territori. In questo senso, la cooperaizone decentrata in Toscana, alza il livello della sfida'*⁴⁸⁸.

2. The second remarkable element is the fact that decentralized aid activities are not defined in terms of the degree of concessionality of the activities, but in terms of the mutual advantages that all the actors involved might extract from co-operation. Thus, Tuscany's decentralized aid rescues the so-called enlightened self-interest argument in the definition of international co-operation activities.

Development co-operation activities (no matter who are the actors involved) had been traditionally defined as those activities which aimed to promote economic and social development in less developed areas of the world. These activities must have a concessional character. The very idea of concessionality would determine the frontier between international aid and other kinds of exchanges.

However, the concessionality clause is not included in the definition exposed above. In fact, in the revealing words of an informant: *'[...]la cooperazione allo sviluppo non va vista come un nobile atto di solidarietà, è anche questo in parte, ma si parla anche di idealità e*

⁴⁸⁸ Interview with Fabrizio Pizzanelli conducted on the 24th of November 2003.

*cioè di far crescere qualitativamente e in modo giusto, ad esempio con uno sviluppo sostenibile, l'insieme del nostro mondo.*⁴⁸⁹.

Thus, the concept of development co-operation put forward by the region would clearly introduce the idea of mutual interest. As the same informant says: *'[...] in una cooperazione allo sviluppo che sia fondata su un partenariato vero, c'è un reciproco vantaggio delle realtà che cominciano a lavorare con le loro gambe e a valorizzare le risorse che hanno, ma c'è anche un vantaggio da parte di un mondo di piccole e medie imprese che può trovare in queste opportunità di cooperazione allo sviluppo, la possibilità di un intervento per trovare un equilibrio e per compiere una giusta internazionalizzazione delle loro attività produttive.'*⁴⁹⁰.

Insisting on the same point, he argues that international development co-operation can be perceived as: *'[...] un partenariato che si sviluppa in modo reciprocamente vantaggioso tra aree diverse del mondo'*⁴⁹¹.

Emergency relief

Emergency relief is included in Article 4 as a different kind of activity than international co-operation with LDCs or international co-operation and partnership. Emergency relief activities would take place in the event of a major natural disaster or a war, and are always destined to help the populations affected by these events. The extraordinary character of emergency relief pushes the region to reserve economic resources outside of the co-operation activities scheduled in the *piano regionale*.

III.2.1.2 A 'New look' for Tuscany as a territory? Decentralized aid and the definition of Tuscany as political space

a. Introduction

As we have seen in the previous section, the three-fold classification of the region's international activities in the realm of foreign assistance presented above results in a major

⁴⁸⁹ Interview with Vannino Chitti conducted by Ilaria Bugetti on the 17th April 2003

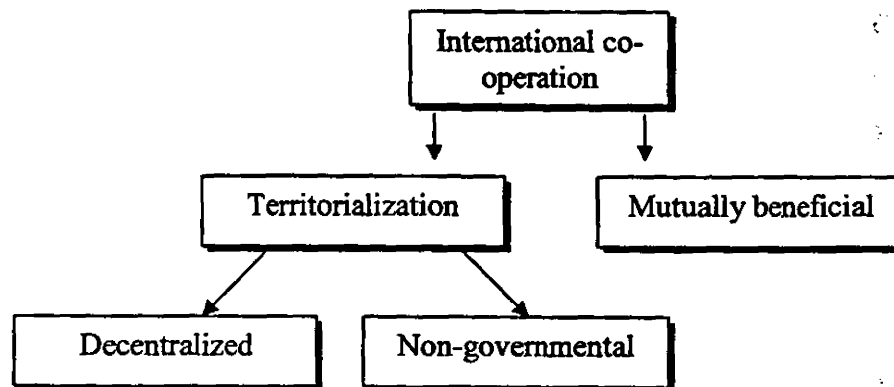
⁴⁹⁰ Interview with Vannino Chitti conducted by Ilaria Bugetti on the 17th April 2003

⁴⁹¹ Interview with Vannino Chitti conducted by Ilaria Bugetti on the 17th April 2003

change in the way in which the regional administration conceptualizes international co-operation.

The new conceptualization of the international co-operation activities of the region is structured along two major axes. First, a multidimensional notion of the territory is put at the centre of the stage vis-à-vis an institutional conception of the regional space. Secondly, international co-operation is perceived as an instrument which might result in significant advantages not only to the aid recipient societies but also to the regional system. The following figure summarizes the major elements of the new look of cooperation activities as they are presented in the L.R. 17/99:

Figure 28: A new look for Tuscany's decentralized aid



Firstly, as we have said before, regional international activities are 'territorialized'. Territorialization implies a broad conceptualization of the idea of decentralization, as well as a reconfiguration of the concept of the 'international actor'. Following the L.R. 17/99, the regional administration aims to integrate all the synergies taking place in the territory of Tuscany. These include not only co-operating with other institutional actors, but also co-operation with civil society associations or the entrepreneurial sector. As a consequence of the process of territorial integration of resources on the territory, international co-operation activities taking place in Tuscany cannot be resumed in the characteristics of a single actor (i.e. institutional, thus governmental co-operation), but are a territorial phenomenon.

Secondly, the documents put forward a concept of co-operation that is rooted on a different premise than that of concessionality. Co-operation is understood in the L.R. 17/99 as a

mutually beneficial activity. The immediate consequence of this conceptual change is that both international partnership agreements, which are traditionally a benefit-oriented activity, and international development aid, which is characterized by a certain degree of concessionality, could be mixed up in a broader notion of international co-operation. Furthermore, the fact that emergency aid is separated from the broader realm of international aid for development activities reinforces the relevance of the idea that international co-operation is not only the result of '*a nobile atto di solidarietà*'.

In the following sections I will try to show how this new conceptualization of international co-operation is linked to a specific notion of the region as a polity, through the definition of clear-cut criteria to regulate the interactions between the constellation of actors involved in the policy.

b. Subsidiarity and partnership: decentralized aid as a system

The *piano regionale della cooperazione internazionale 2001-2005* further defines the above mentioned framework. The regional administration acknowledges the special role of local entities and their associations within Tuscany's international co-operation system. Firstly, local institutions are characterised in the *piano regionale* as the depositaries of collective values such as co-operation, solidarity and the promotion of peace. Secondly, as stated in the document, local institutions are able to both represent the common interest and to mobilize all the resources present in the territory.

This dual function leads the regional administration to grant an important role to local governments in a number of areas. These are: first, the process of defining priorities and policy objectives; second, the management of the *tavoli di coordinamento*; third, participation in network programs; and fourth, the management of the information system.

As a result of the important role reserved in the *piano regionale* to sub-regional actors, '*la regione intende pertanto sollecitare il massimo coinvolgimento dei governi locali nell'attuazioni del presente piano, [...] i criteri che caratterizzano il rapporto tra la*

*regione e gli altri soggetti protagonisti del sistema regionale della cooperazione internazionale sono improntati ai concetti di sussidiarietà e di partenariato.*⁴⁹².

Subsidiarity and partnership are the two major principles underpinning the interaction between the different organisations involved in the international co-operation system.

Subsidiarity is understood as a way of reinforcing the capacities and the initiatives of public and private organizations operating at grassroots level. The principle of subsidiarity *‘indica che le azioni di cooperazione internazionale vengano radicate nel territorio regionale a partire da i soggetti di base, pubblici e privati, affinché le indicazioni, le priorità, le risorse della Toscana si possano integrare valorizzando tutte le competenze.*⁴⁹³.

Following the document, the implementation of the subsidiarity principle bestows local governments with the responsibility to co-ordinate both the networks of organizations participating in Tuscany’s international co-operation system and their initiatives so that the coherence of the system is maintained.

Partnership is described as the manner in which the regional administration operates in the context of establishing the international co-operation system. Partnership means, according to the document, applying a general principle of equality between all the participants. Moreover, partnership implies a network-based system of implementation. Finally, partnership entails co-operation of all relevant subjects in the planning process. As it is expressed in the regional plan for international co-operation, *‘il partenariato costituisce il modo di operare più proprio in material di cooperazione, sia con riferimento all’impegno sul territorio della Toscana che a quello espresso nelle aree e nei Paesi con i quali si fa cooperazione.*⁴⁹⁴.

Partnership is understood as a way of reinforcing the capacities of the local level, since it helps to incorporate the previous experiences of local governments into the policy design process. At the same time the *piano regionale* understands that the local authorities might have a special responsibility in strengthening the cooperative principle informing the concept of partnership. These two principles complete the normative framework established

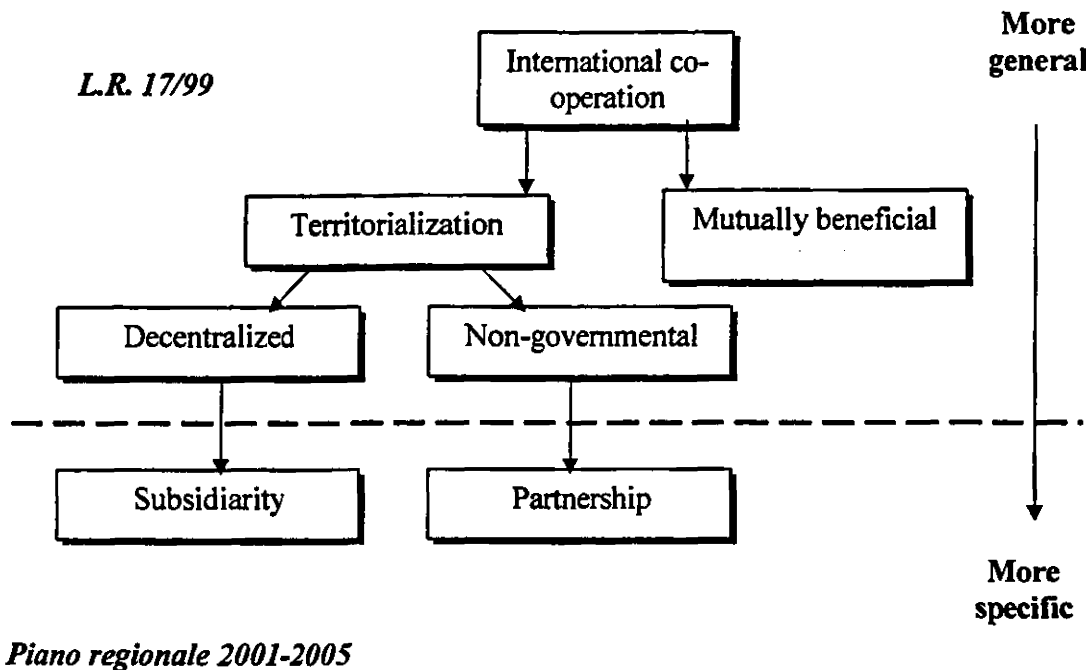
⁴⁹² See *Piano Regionale della cooperazione internazionale e delle attività di partenariato 2001-2005 aggiornamento 2003* p. 9 (from now on *piano regionale 2003*)

⁴⁹³ See *Piano Regionale 2003 (op. cit.)* p. 9

⁴⁹⁴ See *Piano Regionale 2003 (op. cit.)* p. 10

by the idea of co-operation that we have previously explained. The process is illustrated in the following figure.

Figure 29: Tuscany's decentralized aid in the L.R 17/99 and the Piano regionale 2001-2005



As we have seen, the L.R. 17/99 put forward a concept of international co-operation that is rooted in the idea of territory. As we have seen, territorialization of the policy implied a major change in the modes of political action and a special concern for decentralization. The *piano regionale* puts the emphasis on the principles of subsidiarity and partnership as the guidelines for the implementation of different policy initiatives.

As shown by the figure above, these concepts operate at different levels of abstraction. Firstly, both the ideas of decentralization and non-governmental co-operation are fundamental characteristics of the whole co-operation system, as it is defined by the L.R. 17/99. Thus, they operate as major principles informing the establishment of the regional system of international co-operation.

Secondly, the pair formed by the concepts of subsidiarity and partnership regulate the interrelations of the different actors involved in the policy. Furthermore, they generate

obligations and capacities and are integrated in the text as guidelines for the implementation of the policy. Thus, the second pair of principles, that is partnership and subsidiarity, is the concretisation of the broader normative framework defined by the ideas of decentralized and non-governmental co-operation. Let us examine this process in more detail.

As shown in the picture, subsidiarity defines a concrete meaning for the general decentralization clause. Decentralization, understood under the subsidiarity filter, would mean empowering actors operating at the grassroots of the territorial system i.e. civil society organizations, entrepreneurs, but also local institutions. Furthermore, the notion of subsidiarity offers a pattern of interaction between different constellations of actors engaged in the system.

The subsidiarity principle places the need to operate public policy at the closest level to the citizen at the forefront of the political agenda. Thus, the introduction of the subsidiarity principle entails a special duty for the local institutions (they being the closest institution to the citizenry) to care for the process of implementing the policy. By the same token, aggregated levels such as the regional level are immediately bestowed with coordination and control functions.

Similarly to the principle of decentralization and its relationship with the concept of subsidiarity, the idea of non-governmental co-operation is operationalised through the concept of partnership.

The non-governmental principle can be summed up into two main ideas. Firstly, it separates regional international co-operation activities from inter-governmental relations, the latter being an exclusive competence of the State. Secondly, it refers to a new way of understanding the role of regional institutions within the broader system of relationships in which territorial actors participate. As stated before, non-governmental international co-operation constitutes a new kind of international activity that cannot be encapsulated in the characteristics of one of the participants (i.e. institutions → inter-governmental relations), but accounts for the integration of different dimensions of the territory.

Partnership, as defined in the *piano regionale*, presents a two-fold concept, including both an *ad intra* and an *ad extra* dimension. Firstly, it entails a general principle of equality *ad*

intra between all the actors participating both in the processes of policy making and policy implementation. Policy is structured along a network-based system, integrated by institutional and non-institutional actors, rather than a hierarchical administrative system (this is referred to in the regional plan as *partenariato toscano*). Second, *ad extra* it requires the participation of counterparts, both at the institutional level and at the level of civil society, in recipient countries (this is referred to in the regional plan as *partenariato locale*).

In the *partenariato toscano*, local and regional institutions interact with other actors in the territory, as a kind of *primus inter pares*. The political process would be one of horizontal co-ordination among the different actors, the co-ordination capacities being reserved to the different institutional layers (in particular the regional administration). Thus, a policy's characterisation is based on the process of integrating actors' preferences, and as a consequence the policy realm cannot be reduced to the characteristics of any of the individual actors.

A network-based system of implementation extends the relevance of the non-governmental principle and reinforces the territorial bases of the policy system. It implies the introduction of a number of actors who are not necessarily institutional actors, but operate under a general equality principle. As we have seen this general equality principle reinforces the idea of non-governmental co-operation as referring to a major system of interaction rather than to the characteristics of one the actors involved.

The *partenariato locale* includes the establishment of co-operation agreements with local and regional entities in the priority areas defined by the regional plan. The participation of counterparts in recipient areas both in the decision-making process and in the implementation phase is essential to ensure the durability and sustainability of the projects implemented.

c. Tuscany's decentralized aid and Tuscany as a polity

In the previous section we have examined the normative apparatus underpinning Tuscany's decentralized aid. As we have already said, the *piano regionale* regulates the interactions among the actors belonging to the regional system of international cooperation through incorporation of the principles of partnership and subsidiarity.

The principles of subsidiarity and partnership integrate the multiplicity of actors involved in Tuscany's decentralized aid. Yet, these values, in addition to defining the structure of relationships among actors, put forward two different representations of the region as a political space, depending on whether we focus on the external or internal dimension of the region.

Ad extra, through the notion of local partnership, the region is represented as a structure of opportunity for political action and mobilization. Institutions (particularly regional institutions) are in charge of co-coordinating policy initiatives coming from the grassroots level with the structure of opportunity created by the major changes occurring at the national and the international levels.

Ad intra, through the notions of partnership and subsidiarity, the region is conceived as a highly homogeneous system in which a myriad of institutional and non-institutional actors interact. This system is rooted on a widely shared normative conception of the region as a political space, which is ordered along the notions of participation, concertation, social integration and subsidiarity.

The mayor of the *Comune di Sesto Fiorentino* describes it in the following way: *'Credo che ci sia senz'altro una storia di questo territorio che ha sempre favorito e sollecitato le forme più svariate di volontariato e associazionismo. Questo mondo ha trovato nella pubblica amministrazione, a partire dai comuni passando per le province fino ad arrivare alla regione, sempre un punto di riferimento. E' certo che ci sia stato un governo della cosa pubblica e delle istituzioni che ha tradizionalmente sostenuto queste forme, questo ha tra l'altro consentito il diffondersi nel tessuto sociale di una forte sensibilità solidaristica sotto mille forme. La cooperazione è ben radicata anche se proveniente da ambienti diversi. Io credo che senz'altro grazie alla sensibilità delle istituzioni vi è stato poi alla fine la possibilità che questo tessuto sociale si radicesse e sia riuscito a trovare degli interlocutori attendibili con i quali realizzare dei progetti.'*⁴⁹⁵

Thus, Tuscany is perceived as territory with a long tradition of participation and associationalism. Institutions are perceived as developing inclusive ways of integrating civil society in the governance of the region.

⁴⁹⁵ Interview with Andrea Barducci conducted by Ilaria Bugetti on the 4th April 2003

Moreover, in the words of a different informant from the regional administration, it is through these features that Tuscany can be recognized as a polity. As he states: *'La regione toscana è riconosciuta con caratteristiche proprie. In una riunione a Bruxelles un ambasciatore intervenne in una riunione di regioni, affermò che in Italia lui riconosceva solo una regione, la Toscana. Può sembrare anche una battuta ma nasconde una verità, cioè, il tempo, lunghissimo, di secoli, ha costruito un certo ambito, in questo ambito poi la nascita delle istituzioni locali democratiche ha dato fiato a uno sviluppo nostro, della pmi, dei distretti industriali, della laboriosità, della voglia di fare in generale.'*⁴⁹⁶

Decentralized aid becomes a direct consequence of specific structural characteristics of Tuscany as a region. Meanwhile the very notion of Tuscany as a polity is reinforced by the modes of interaction established between the different actors participating in Tuscany's decentralized co-operation.

The following sections will explore how these values are implemented in the regional system of decentralized co-operation. First, the *tavoli di coordinamento* are sought as an arena for policy concertation and horizontal integration. Second, the *piano regionale* establishes a number of priorities which aim to reflect territorial synergies as well as Tuscany's model of economic development. Yet, as the following sections show, the implementation of the policy is very much dependent on the structure of inter-institutional relations within the regional borders or the possibility of integrating the image of Tuscany as a region in Europe within the agenda of decentralized co-operation.

III.2.2 Interest concertation and co-ordination of initiatives: the '*tavoli di coordinamento*'

As we have seen in previous sections in 1995 Tuscany established a special office for the international relations of the region. This office (*Servizio Attività Internazionali*) was in charge of dealing with the increasing exchanges between the regional government and the European institutions. At the same time, it was charged with structuring the incipient foreign aid policy and humanitarian intervention.

⁴⁹⁶ Interview with Giannarelli conducted by Ilaria Bugetti on the 3rd of April 2003.

The advent of the L.R. 17/99 has slightly modified this panorama. Whereas the *Servizio Attività internazionali* remains the institutional point of reference for the international activities of the region, the administration of international co-operation policies has been enriched by a new forum of debate, the *tavoli di coordinamento*.

The scheme below represents the administrative structure of Tuscany's international co-operation in the context of Tuscany's foreign policy. The *Presidenza*, that is the regional president, retains control over Tuscany's international projection. Together with his counsellors, the regional president sets the political priorities in every single area of Tuscany's international projection.

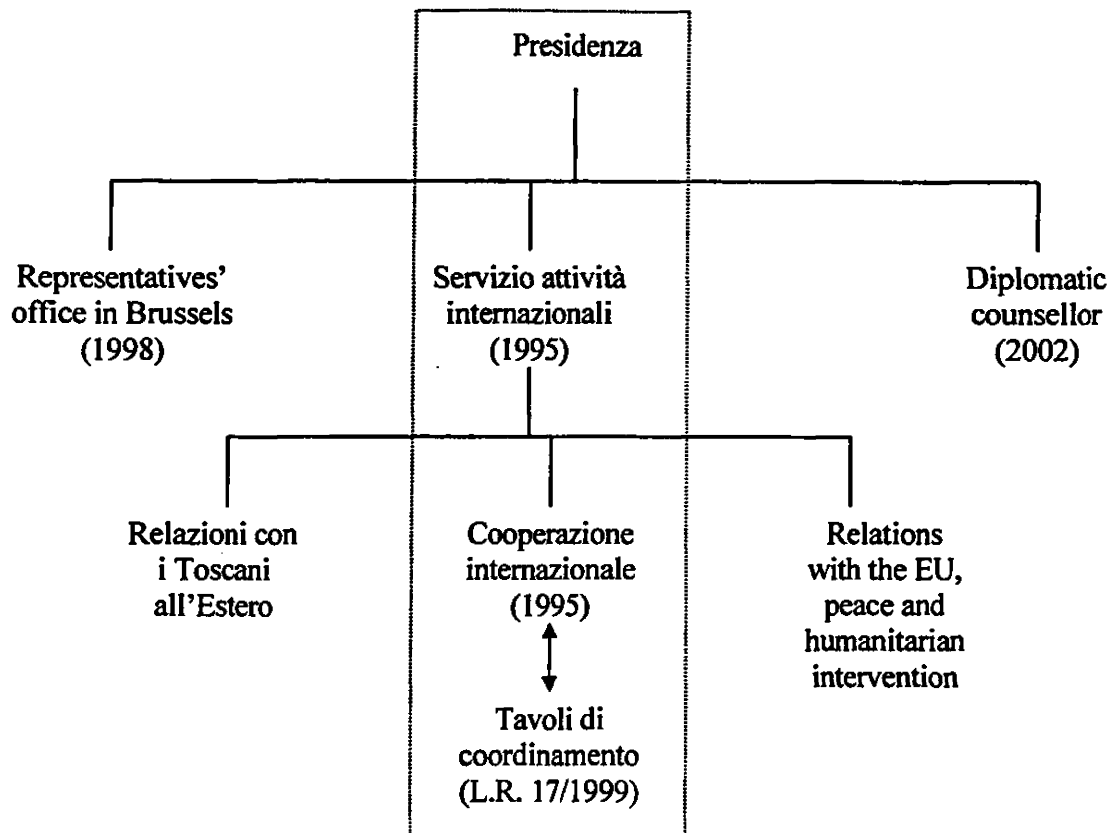
Below the level of presidency, the *Servizio Attività internazionale* has the task of establishing the regional plan for partnership and international co-operation activities. The plan is conceived as the technical implementation of the political directives established at the level of regional presidency. Yet, the setting of regional priorities at the technical level receives the input of the *tavoli di coordinamento* from below, intended to integrate the preferences of the development policy community.

The '*tavoli di coordinamento*' are regulated by Art. 11 of the L.R. 17/99. They are defined as co-ordination groups, whose mission is to facilitate co-ordination and programming of the different initiatives taking place in a specific geographical area.

The *piano regionale* further defines the mission of these co-ordination groups. According to the plan the *tavoli di coordinamento* are in charge of integrating different initiatives for a specific geographical area⁴⁹⁷. Integration is understood as a three fold process. First, the *tavoli* are the arena where different actors can exchange their experiences. Second, the *tavoli* establish a mechanism for know-how exchange. Finally, the *tavoli* are the forums to establish specific priorities for every geographical area, that is, the *tavoli* put forward a programmatic document for every geographical area, following the general framework established by the regional administration.

⁴⁹⁷ See *Piano Regionale 2001-2005* (op. cit.) p. 21

Figure 30: Administrative structure for Tuscany's international relations and international cooperation after 1999



The tavoli might operate at three different levels⁴⁹⁸. On the one hand there are *tavoli di coordinamento per area geografica*. These arenas of concertation bring together all the actors operating in each of the geographical areas identified as priority areas by the regional administration. The main objectives in these tables are: firstly, to ensure policy coherence not only internally, but also regarding overseas policy priorities of both Italy and the European Union; secondly, to facilitate the formation of networks of actors operating in the same geographical area. Finally, the *tavoli di coordinamento per area geografica* are in charge of certain informative tasks. These are to evaluate ongoing projects of members of the *tavolo*, to gather information about the activities of other actors and to establish the framework of international, regional and national co-operation programs in which the members of the *tavolo* can participate.

⁴⁹⁸ See *Piano regionale 2001-2005 (op. cit.)* p. 19

Tavoli per paese also exist. These *tavoli* fulfil the same functions but are confined to a specific country. Finally, the third strand is the *tavoli tecnici* who are devoted to a specific sector of activity.

From these three kinds of *tavoli*, only those structured along major geographic areas and countries have been implemented. Actually there are six *tavoli di coordinamento per area geografica*, which represent every geographic area recognised in regional legislation, and fourteen *tavoli per paesi*, mostly devoted to countries in both Africa and Latin America⁴⁹⁹.

The *tavoli di coordinamento* are conceived in regional legislation and other documents as arenas for concertation. They are defined as the instrument for integrating civil society in the decision-making process. Moreover, they ensure coherence and co-ordination between different co-operation initiatives.

However, despite the image depicted by the documentation, the experience of the daily activities of the *tavoli di co-ordinamento* shows a rather different picture. According to many informants, the *tavoli di coordinamento* decreasingly (if ever) integrate all the interests in the territory, but they are used in the political exchanges between the regional and the local tiers of governments⁵⁰⁰. For instance, informants from the NGO sector mostly complain about the fact that none of the *tavoli* are presided over by an NGO member⁵⁰¹.

Table 5: Distribution of the co-ordinators of the *Tavoli di Co-ordinamento* based on their origins.

	Representative of the Comuni	Representative of the Provincia	Representative of the Regione	Other	Not decided
<i>Number of Tavoli di co-ordinamento presided</i>	11	4	1	1	4

Source: Banca Dati Istituto Agronomico D'Oltremare.

⁴⁹⁹ The *tavoli di coordinamento per area geografica* are the following: Tavolo Africa, Tavolo America Latina, Tavolo Asia, Tavolo Europa Centro-Orientale, Tavolo Europa sud-Orientale, Tavolo Mediterraneo. Then there are a number of *Tavoli per paesi*, a few examples are the Tavolo Palestina, the Tavolo Argentina, the Tavolo Nicaragua, the Tavolo Cuba, the Tavolo Afghanistan, the Tavolo Saharawi, the tavolo Burkina Faso, and the Tavolo Romania. For a full list visit the site: <http://cdt.iao.florence.it/tavoli.php>

⁵⁰⁰ Interview conducted on the 14th of November 2003

⁵⁰¹ Interview conducted on the 6th of November 2003

As shown in the table above, the vast majority of the *Tavoli di coordinamento* are co-ordinated by the members of the *Comuni*, that is, the local governments. Four of them are co-ordinated by provincial authorities (provinces of Prato, Lucca, Livorno and Pisa) and only one is co-ordinated by a regional government representative. Finally one table is controlled by a representative of the ANCI in Tuscany.

According to some interviewees, the preference for the local level accords with the logic of the political interactions among different institutions and tiers of governments taking place in Tuscany. In the words of one interviewee, *'the tavoli are used by the regional politicians to satisfy their own needs. For instance, in order to maintain internal institutional equilibria the regional administration decides to propose the mayor of Pisa for president of the Tavolo Palestina. At the same time, politicians try to maintain the image of a co-operative system where all the actors are equal. This is relegating NGOs to a secondary position in the decision-making process.'*⁵⁰²

According to NGO informants, Tuscany's decentralized aid could be evolving towards a regional system in which NGOs and other civil society organizations provide the system with an input of legitimacy and know-how, while they would operate only as implementation units⁵⁰³. At the same time, the regional and the local administrations would determine the major priorities following their political interests.

Yet, in the words of an informant from the regional administration, *'[...] NGOs have instruments to control the regional administration's excesses in the agenda-setting process. Decentralized aid is defined as an interaction process between social and institutional actors. This implies that part of the legitimacy of the system relies on the participation of NGOs (in their role of voluntary associations). The region for the moment cannot risk losing this source of legitimacy and this might help NGOs to contain regional initiatives.'*⁵⁰⁴

The administrative structure managing decentralized co-operation in Tuscany has undergone substantial changes since the approval of the L.R. 17/99. The most important

⁵⁰² Interview conducted on the 18th of November 2003.

⁵⁰³ Interview conducted on the 14th of November 2003.

⁵⁰⁴ Interview conducted on the 18th of November

change has been the introduction of the *tavoli di coordinamento* as arenas of representation for stakeholders in civil society.

According to the interviews and the empirical evidence gathered, it is at the present time very difficult to evaluate whether the *tavoli* are operating as arenas of representation or as instruments for the distribution of resources among different institutional tiers. Rather, the situation tends to be twofold. Whereas the regional administration (more specifically the *presidenza*, which holds important decisional capacities) is trying to keep control over the decision-making process and policy priorities, NGOs try to have an input in policy through an open interpretation of the role of the *tavoli di coordinamento*. Furthermore, the regional administration has been unable to put forward a proper international co-operation agenda. This reinforces the uncertainty surrounding the functioning of Tuscany's international co-operation system. These issues will be further analysed in the following sections when we will discuss the implementation of Tuscany's international co-operation.

III.2.3 Planning regional engagement in international co-operation activities: the *piano regionale 2001-2005* and policy implementation

As we have said before, Title II of the L.R. 17/99 introduces a new regulatory instrument: the *Piano regionale della cooperazione internazionale e delle attività di partenariato*. As defined in Art. 5, the regional plan is issued in order to 'regulate all the activities related to international co-operation, structuring them according to the targeted countries or specific areas within these countries.' The plan is proposed by the *Servizio Attività Internazionali*, after consulting the Regional Conference on Co-operation and Partnership, the Scientific Committee and the *tavoli di coordinamento* which have a major input in the process of amending the plan⁵⁰⁵.

The *piano regionale* is defined as the direct result of the 'experience accumulated after ten years of co-operation with other territories.'⁵⁰⁶ Moreover, 'it has its origins in a rich regional patrimony of activities intended to promote solidarity and peace and in the experience of a history of development based on the integration of the economy at the local

⁵⁰⁵ These two organisms substitute the former *Consulta Regionale per la cooperazione* and the *Ufficio Gabinetto* established by the L.R. 66/90.

⁵⁰⁶ See *Piano Regionale 2001-2005* (op. cit.) p.3

level⁵⁰⁷. Therefore, the *piano regionale* has become the master document for understanding regional engagement in international co-operation activities.

The regional plan, as it is defined in the L.R. 17/99, is structured in three parts. The first part is devoted to the definition and evaluation of the international co-operation activities⁵⁰⁸. The second part deals with financial issues⁵⁰⁹. The third part regulates the formal criteria for the implementation of the different activities described in the previous parts⁵¹⁰.

Yet, the analysis of the document can be structured according to the functions it fulfills. The plan is eminently an instrument aiming to assist the programming of the implementation phase of Tuscany's decentralized aid policy. In doing so, it establishes a number of priorities and distributes tasks among the different partners involved in the policy. In other words, the plan specifies who is doing what within Tuscany's international co-operation system and establishes both the material and geographical priorities for the distribution of funds.

III.2.3.1 What does the region do?

The plan identifies six types of activities: firstly, regional initiatives; secondly, projects implemented through other juridical persons (*progetti a bando*); thirdly, initiatives regarding the enhancement of information systems; fourthly, co-operation and partnership agreements; fifthly, co-operation with European associations; and finally fund-raising activities. Most of the plan is devoted to discussing the first two categories.

The PIR

According to the *piano regionale*, the region engages in a number of PIR (*progetti di iniziativa regionale*), distributed among different geographical areas. These areas are the following: the Mediterranean and the Middle East; Latin America; Central and South-Eastern Europe; Asia and Oceania.

⁵⁰⁷ See *Piano Regionale 2001-2005* (op. cit.) p.3

⁵⁰⁸ See Art. 5.3 L.R. 17/99

⁵⁰⁹ See Art. 5.4 L.R. 17/99

⁵¹⁰ See Art. 5.5 L.R. 17/99

Concerning the Mediterranean area, here the region operates mainly under the umbrella of the EU's co-operation policy. Yet, the region has been able to create a dense network of actors that includes, apart from the regional government, Israeli and Palestinian local authorities and all the Tuscan NGOs operating in the area. According to the plan, this network is basically focused in two main fields, first, a project on cultural goods management and tourism promotion in the area. The second project is called *Ateliers Interregionali Mediterranei* and is devoted to the exchange of know-how on issues related to the future establishment of a free trade area in the Mediterranean in 2010.

The second area where the region operates is Latin America. In this area the regional administration is engaged in the following activities. Firstly, the region participates in the PDHL (*Programa de Desarrollo Humano a nivel Local*)⁵¹¹ initiative for Cuba. The PDHL is a program sponsored by United Nations and the Italian government, which promotes decentralised co-operation schemes between local institutions and territories both in Italy and in Cuba. A number of Tuscany's localities have participated in this program, whilst the region is in charge of co-ordinating the different activities⁵¹².

Secondly, the region participates in the project RE.SE.CA.-Colombia. Through this project the regional government agrees to co-operate with four Colombian departments (Atlántico, Cauca, Santander and Antioquia) on agricultural matters, namely creating infrastructures for the establishment of agricultural industries in these departments. This project is developed in co-operation with the MAE (Foreign Affairs Ministry) and the *Istituto Agronomico per l'Oltremare*. (Overseas Agronomist Institute).

Finally, the region develops various activities in other countries such as Nicaragua and the Dominican Republic.

⁵¹¹ Program on Human Development at the Local Level.

⁵¹² The origins of regional participation in the program are slightly more complicated than the story presented by the *piano regionale*. As told by one of the interviewees, in the beginning (1998) it was the association *Circolo ARCI*, both because of its links with Cuban associations and because of its presence in Tuscany, that triggered the participation of Tuscany's localities in the framework of the PDHL project for Cuba. It is only later on, in the year 1999, that the regional government showed some interest in it. The regional government fostered a number of meetings with the partners of the project in order to evaluate the possibilities for regional participation in the project. Finally, in 1999, the regional government began to fund a co-ordinating structure for this project. Interview carried out on the 28th October 2003.

The third area of intervention is Central and South-Eastern Europe. The most important project in this area is the *Progetto Balcani*. This project is concentrated in two main areas. Firstly, through a project called *ricostruire i ponti del dialogo e della cooperazione* (re-building the bridges for dialogue and co-operation), the region has established a co-operation network which includes the local governments in Tuscany, Croatia, Bosnia-Herzegovina, Serbia, Kosovo, Albania and Macedonia. As was the case for the Middle East, this network involves also all the Tuscan NGOs operating in the area. Within the context of this network, Tuscany's activities are oriented to fostering economic development. Secondly, the region operates within the context of the *programma PASARP* established by the Italian Government in favour of Albania. The region develops co-operation activities in different sectors in the area of the *Prefettura di Scutari*.

In Central Europe regional initiatives are concentrated in two main areas: the region of Malopolska in Poland and the Contea of Brasov in Romania. In the case of Poland, the projects initiated by the region are directed at helping the region of Malopolska to implement the *acquis communautaire* and to improve the technical conditions of production in the territory. In the Romanian case the project is aimed at preventing violence towards minors.

The fourth area of intervention is Asia and Oceania. Three initiatives are noteworthy: firstly, a project in India sustained by the EU, in the context of the ASIA URBS program, called '*Environmental Exchanges between public administrations*'. It consists basically of know-how exchange in the field of industrial waste treatment and recycling. Secondly, a number of programs of know-how exchange, related to different economic activities, were established between Tuscan localities and Chinese provinces. Thirdly, co-operation schemes were established in the fields of energy, environmental policy, agriculture and the nautical and textile industries, with the state of Western Australia.

The progetti a bando

Through the *progetti a bando* the regional government supports the activities of other actors in the co-operation realm. These actors are basically local governments and NGOs. However, a wide array of different actors, like public and private enterprises or universities, are also entitled to compete for regional funds. According to what is written in the regional

plan, through financing third actors' initiatives the region acknowledges the relevancy of these actors' engagement for the development of international co-operation schemes in Tuscany.

Competition for regional funds is opened up every year, when the new budget is approved. To this extent, the region issues a *bando*, a decree in which all the formal procedures and the requisites for the competing organisations are established. After that, the regional government decides, on the basis of the different priorities established, which proposals they will finance.

This is by far the most important activity developed by the region according to the funds available. For instance, in 2001 the budget intended to finance this kind of activity raised up to 806 million liras, more than 57% of the total regional budget for co-operation activities. In fact, the regional plan institutionalises this trend when it reserves more than 40% of the resources to financing third actors' initiatives, as is shown in the following table extracted from the *piano regionale*.

Table 6: Distribution of funds among the different types of activities⁵¹³

<i>Projects proposed by other actors,</i>	<i>40% or more</i>
<i>Projects related to town-twinning agreements</i>	<i>Up to 10%</i>
<i>Emergency relief</i>	<i>10%</i>
<i>PIR Regional initiative programs</i>	<i>40%</i>

Source: Piano regionale 2001-2005.

The enhancement of information instruments

The regional plan acknowledges the relevance of having accurate systems of information and evaluation for the transmission of know-how. In this respect, three different instruments are established, firstly the annual Regional Conference. In this forum, a number of specialists discuss issues regarding the management of the international co-operation

⁵¹³ I have not been able either to trace or to establish data for the remaining years. However, the tendency to operate through NGOs and other legal persons should be a constant characteristic of Tuscany's decentralized aid for the period 1990-2004.

system and evaluate its functioning. The second initiative is related to the function of information and co-ordination entrusted to the *tavoli di coordinamento*. The third instrument is the *sistema informativo de la cooperazione decentrata in Toscana*, which has been developed by the IAO (*Istituto Agronomico d'Oltremare*), an institution dependent on the *Ministero degli Affari Esteri*.

Co-operation and partnership agreements

According to the plan, the region has established a number of important co-operation agreements, with 'similar institutional partners'. Following the *piano regionale*, these agreements are the result of a number of interacting factors. First, the document recognises the existence of a long-standing tradition of solidarity in Tuscany. Second, the regional administration asserts the importance of pre-existing town-twinning agreements. Finally, the region acknowledges the relevance of the presence of Italian emigrants in other parts of the world as a foundation of regional activities in this policy field. Most of these are established within the context of the *PIR* activities that we have explained before⁵¹⁴.

European associations

The last activity performed by the regional administration in the context of the international co-operation plan relates to its participation in a number of European regional associations. The document justifies its inclusion in terms of the regional capacity to participate in the definition of a European model of development. As stated in the document, '*La capacità della Toscana di inserirsi come attore di rilievo nel cuore delle politiche europee e di contribuire alla determinazione degli obiettivi strategici di sviluppo sociale ed economico della Unione, è stata sostenuta da una intensa partecipazione e da una ricca attività che ha permesso alla regione di giocare un ruolo importante nell'ambito delle principali Associazioni europee di regioni e realtà locali.*'⁵¹⁵.

According to the text, regional participation in the different European agencies and associations has contributed to extending the sensitivity of the regional administration to the problems of the EU's construction. Moreover, through its European level participation, the region has assisted in fostering a greater political role for the regions in the process of

⁵¹⁴ See *Piano regionale* (op. cit.) p.15.

⁵¹⁵ *Idem*.

European construction, creating synergies with other European institutions such as the European Parliament and the European Commission. Finally, the document lists all the associations in which Tuscany participates.

Fund-raising activities

As stated in the plan, fund-raising is an important task for the regional administration. The region commits to fund-raising campaigns which target not only the national level but also European institutions and international organizations⁵¹⁶. However, a lack of appropriate data means it is impossible to further investigate the impact of fund-raising activities on Tuscany's overall budget for decentralized development aid.

III.2.3.2 Settling the policy priorities: from the regional plan to policy implementation

The main function of the *piano regionale*, besides describing regional activities, is to establish a number of priorities that inform the implementation process. To a certain extent, it can be said that the regional administration has attempted in the *piano regionale* to set out a detailed political agenda for its international co-operation activities. This political agenda is concerned with three main issues: first, the principles inspiring the implementation of the policy, what we have called the business philosophy; second, geographical priorities; third, material priorities, namely the fields in which the regional administration has decided to centre its activities. As we have devoted enough space to analysing the principles inspiring Tuscany's international co-operation, the following sections concentrate on examining both geographical and material priorities. As I will seek to illustrate, there is a huge gap between the rhetoric of the plan and the reality of spending decisions, which are subject to multiple constraints and pressures. Whereas planning seems to be an ideal activity, the politics of decentralized aid constrain the region's capacities to push forward the agenda of the regional plan.

⁵¹⁶ See *Piano regionale 2001-2005* (op. cit.) p. 46.

a. Geographical priorities

- Geographical priorities in the *piano regionale 2001-2005*

The *piano regionale* clearly states the relevance of setting geographical priorities. As the document states, '*I soggetti della cooperazione decentrata in Toscana sono chiamati ad operare per programma di area geografica. Si ritiene infatti che lavorare per programmi di area determini condizioni favorevoli alle sinergie tra i diversi soggetti toscani e migliori la qualità degli interventi in un paese.*'⁵¹⁷.

According to the document, the distribution of resources and activities between different geographical areas help to create synergies, offering a comprehensive view of what is done in a specific area. As we have seen, in order to reinforce this idea the *piano regionale* and the L.R. 17/99 had created the *tavoli di coordinamento* to establish a framework for the co-ordination of the activities in every specific area⁵¹⁸.

In the *piano regionale 2001-2005*, there are three main geographical priorities: the Mediterranean area, Central-Eastern Europe and South-Eastern Europe. According to the document, the reasons behind the priority given to these areas are threefold. The first reason is the need to reconstruct dialogue and co-operation. Secondly, these areas are among those which are most affected by emigration towards the EU. Finally, these areas have developed a necessary relationship with the EU under the perspective of both the Union's eastwards enlargement and the growth of partnership schemes within the Mediterranean area.

The fourth area would be Latin America, where, according to the document, '*sono presenti forti comunità di italiani.*'⁵¹⁹. Within this area, the *piano regionale* refers to the need to support ongoing peace and transitional processes, as it is the case for Cuba or Colombia. Furthermore, the document encourages the exchange of experiences and dialogue between local entities, in particular in Chile, Nicaragua, the Dominican Republic and Argentina.

⁵¹⁷ *Piano regionale (op.cit.)* p.19.

⁵¹⁸ '*Per ogni area geografica di cooperazione il presente piano fornisce indicazione che costituiscono, nel loro insieme, il quadro di coordinamento delle strategie e delle azioni di tutti i soggetti impegnati in quell'area.*' See *Piano Regionale (op.cit.)*, p. 19

⁵¹⁹ See *Piano Regionale (op.cit.)*, p.22.

Fifthly, the document underlines the importance of Africa, which risks becoming the 'continente dimenticato.'⁵²⁰ According to the plan, Tuscany's activities would mostly favour Eritrea and Sierra Leone, which have been affected by armed conflicts. The document defends this choice in the following manner: '*Certo l'Africa è più grande di questi due paesi, ma questi rappresentano la tragedia di questo continente, fatto di povertà e di bambini, che imparano ed esercitano l'arte della guerra.*'⁵²¹ Furthermore, the plan makes reference to the development of co-operation activities in favour of the Saharawi people. Finally, a number of activities implying the participation of the immigrants communities present in the territory are included in the list of activities to be developed in Africa⁵²².

The document further recognises two other areas of intervention, Asia and Australia. Within the context of these areas, the plan maintains the existing partnership agreements and co-operation activities between local governments established by EU programs.

- **Geographical priorities and policy implementation**

As the figure below shows, the pattern of geographical allocation of funds (taking each year individually) is not as stable and clear as it is depicted in the regional legislation and documentation.

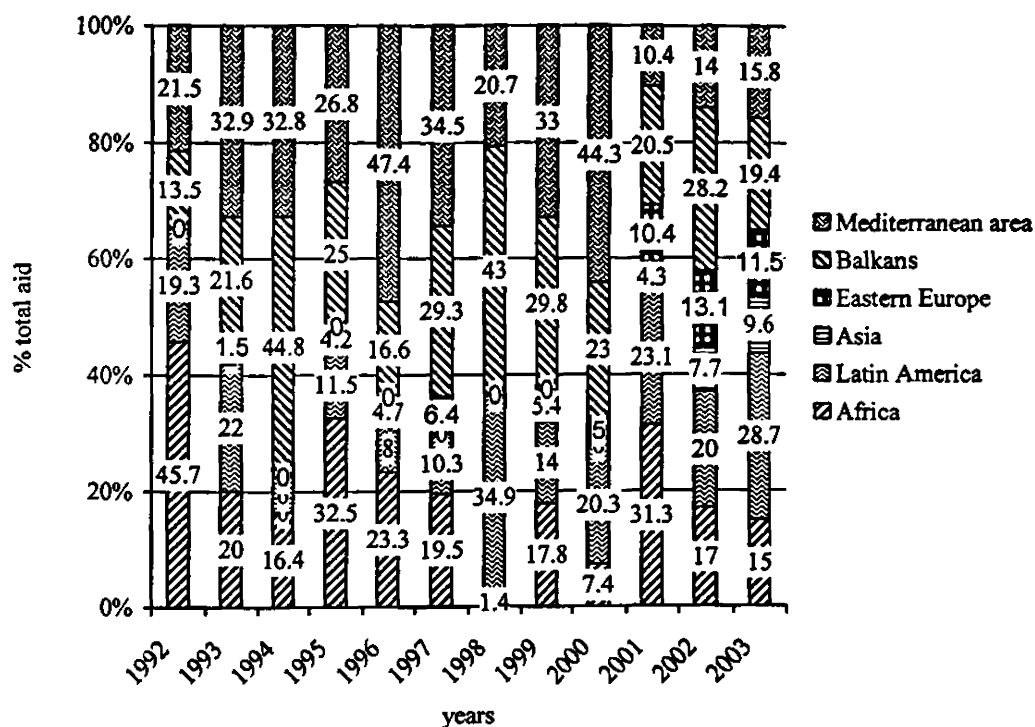
For instance, the figures for Africa oscillate between the 45,7% allocated in 1992 and the 1,7% allocated in 1998. The same considerations apply for the other areas identified in the plan with the exception of Asia which has never got a significant percentage of the aid funds.

⁵²⁰ *Piano Regionale (op.cit.)*, p.23

⁵²¹ *Piano Regionale (op.cit.)*, p.23

⁵²² '*Andranno altresì sviluppate attività che coinvolgano le comunità di immigrati presenti sul nostro territorio (Senegal, Congo ed altri)*'. See *Piano Regionale 2001-2005 (op.cit.)*, p.23.

**Figure 31: Geographic allocation of Tuscany's decentralised aid
1992-2003**



Source: Compiled by this author

The high volatility of regional funds contrasts with the image of stability sketched in the *piano regionale*. These two images can be somewhat reconciled if we turn to the aggregated figures.

Table 7: Mean distribution of fund allocation Tuscany 1992-2003

	Africa	Latin America	Asia	Eastern Europe	Balkans	Mediterranean area
% of total funds allocated	20,61	17,67	3,66	4	26,22	27,84

Calculating the mean distribution of funds for the period 1992-2003 shows how both the Balkans and the Mediterranean area funds reflect the priority given to them by the *piano regionale*. The positions of Africa, Latin America and Eastern Europe are slightly different. In first place, Africa has received around 20% of the regional funds for the period analysed. Latin America, defined in the regional plan as the fourth priority area, remains behind Africa with an 18% share of the funds. Also relevant is the case of Eastern Europe. Defined among the first three priority areas in the regional plan, it only receives 4% of the regional funds.

This data shows how the *piano regionale* has been less consistent with the existing patterns of policy implementation than would have been expected,. This is better illustrated by a comparison of the data for the period 1992-2000 when the plan has not yet been issued, with the data for the period 2001-2003 when the plan was already in place.

Table 8: Comparative allocation of funds in Tuscany for two periods 1992-2000 and 2001-2003

	<i>Period: 1992-2000</i>	<i>Period: 2001-2003</i>
<i>Africa</i>	20.4	21.1
<i>Latin America</i>	15.6	23.9
<i>Asia</i>	2.5	7.2
<i>Eastern Europe</i>	1.4	11.7
<i>Balkans</i>	27.4	22.7
<i>Mediterranean Area</i>	32.7	13.4
<i>Total</i>	100	100

As we can see in the table above, a different pattern of allocation can be identified for each of the two periods. During the period 1992-2000, the Mediterranean area was the main recipient of aid, receiving almost 33% of the regional funds for this period. The second area in order of importance was the Balkans, where the region allocated 27% of its funds. In third place we find Africa, while Latin America occupies fourth position in the ranking of regional preferences.

For the period 2001-2003 the situation is slightly different. First, the Mediterranean area is not the most important area in terms of the percentage of funds allocated, but occupies fourth place. Second, the most important area during this period is Latin America, which benefits from almost 24% of all the funds during this period. The Balkans and Africa

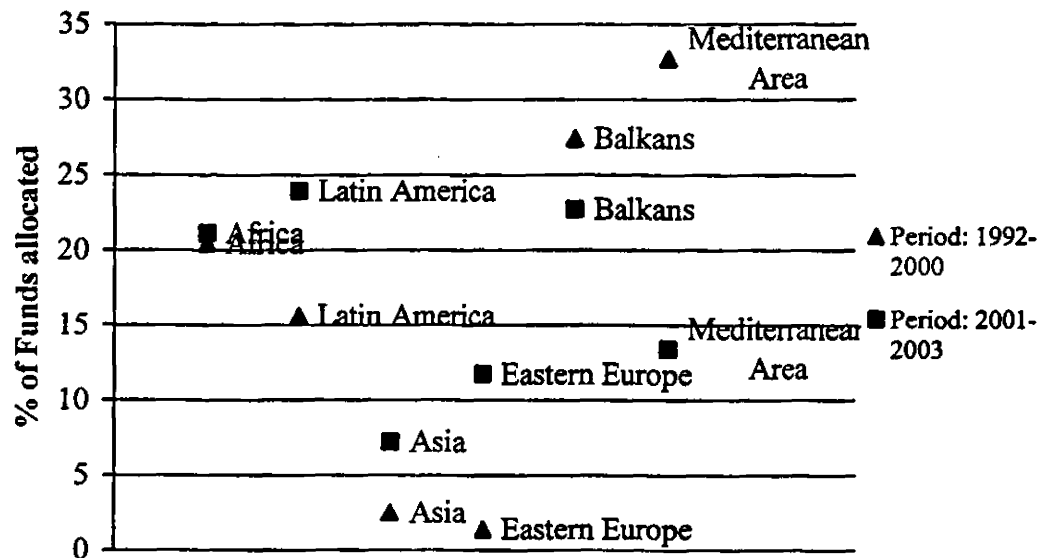
occupy second and third position in regional preferences. Eastern Europe is the fourth area in terms of share of the total funds, while Asia continues to be the last.

A second element that can be introduced in the comparison of both patterns of allocation is the degree of concentration/dispersion of funds. According to the figure below the allocation pattern for the period 1992-2000 is much more dispersed than in the case of the period 2001-2003. The degree of dispersion is indicated by the relative distance of the points in the graph. Each point corresponds to a specific area. These areas are homogeneously distributed in the X axis, while they are distributed according to the percentage of funds allocated in the Y axis.

As we see for the period 2001-2003 (boxes), the three most important areas seem to be close to each other, grouped in the space between 20% to 25%. The three less important areas seem to be relatively close to one another as well. The three areas are grouped in the space between 5% and 15%. Finally the difference between these two groups of areas is always within the space determined by the line of 5% and the line of 25%.

The period 1992-2000 (triangles), shows a completely different picture. We can identify three groups of areas. Firstly, the Mediterranean area and the Balkan area are located around the 30% line. A second group includes Africa and Latin America, which is located in between 15% and 20%. Thirdly, the group formed by Asia and Eastern Europe is located under the 5% line. The relative distance between these groups is also greater than in the case of the period 2001-2003. The greatest and the least important groups of areas are located in the opposite extremes of the graph, while the distance between the first two groups is determined by the space between the 20% line and the 30% line, being almost as great as the distance between the first and the second group of areas for the period 2001-2003.

Figure 32: Comparative allocation of funds: concentration of fund's among the different areas



Therefore, funds seem to be more equally distributed in the period 2001-2003 than in the period 1992-2000. In this period a great deal of effort was directed towards the Mediterranean area and the Balkans, while the rest of the funds were unequally distributed between the remaining areas. According to the data shown in this graph, the distribution pattern for the period 2001-2003 shows a tendency towards equilibrium among the different areas of intervention rather than favouring one over another.

Yet, the most relevant fact shown by the data presented above is that, for the period 2001-2003, the distribution of funds among geographical areas does not comply with the letter of the plan's directives. Taken separately, only the Balkans is located among the three more relevant areas, while the Mediterranean area falls to fourth place and Eastern Europe maintains fifth position. Moreover, if we aggregate the percentages for all the first three priority areas identified by the *piano regionale* (Eastern Europe, the Balkans and the Mediterranean area), the sum only accounts for 47.8% of the total funds, while the sum of the rest of the areas (Latin America, Africa and Asia) accounts for 52,2%.

This rather surprising distribution of funds could suggest that Tuscany's decentralized aid policy is still very much dependent on the input of other actors. The regional administration

is unable to set clear-cut priorities or in the best of the cases to force its partners to comply with the provisions of the plan. Let us examine this process in more detail.

Geographical distribution of funds and the impact of Italian aid policy on Tuscany's international co-operation

The table below compares the patterns of aid allocation in Tuscany and Italy for the period 1992-1998, a period in which Tuscany's aid was still very much subject to the State's international aid priorities. If the above mentioned hypothesis is correct, this data should show a somewhat parallel distribution of funds in both cases. Yet, as we see in this table and in the following one, where the data have been aggregated, Tuscany's distribution of funds differ from that of the Italian government.

Table 9: Comparative geographical allocation of funds Italy and Tuscany 1992-1998

	1992		1993		1994		1995		1996		1997		1998	
	<i>Italy</i>	<i>Tuscany</i>	<i>Italy</i>	<i>Tuscany</i>	<i>Italy</i>	<i>Tuscany</i>	<i>Italy</i>	<i>Tuscany</i>	<i>Italy</i>	<i>Tuscany</i>	<i>Italy</i>	<i>Tuscany</i>	<i>Italy</i>	<i>Tuscany</i>
<i>Africa</i>	27,6	45,7	28	20	23	16,4	57	32,5	38	23,3	52	19,5	57	1,4
<i>Mediterranean and Middle East</i>	24,2	21,5	19	32,9	42	32,8	17	26,8	20	47,4	15	34,5	7	20,7
<i>Latin America</i>	20	19,3	21,4	22	16	0	13	11,5	17	8	18	10,3	22	34,9
<i>Asia and Oceania</i>	17	0	26	2	13	6	6	4,2	4	4,7	3	0	6	0
<i>Europe</i>	11,5	13,5	5,5	23,1	5	44,8	7	25	20	16,6	12	35,7	7	43

Source: Compiled by this author

Table 10: Comparative geographical allocation of aid Italy and Tuscany 1992-1998

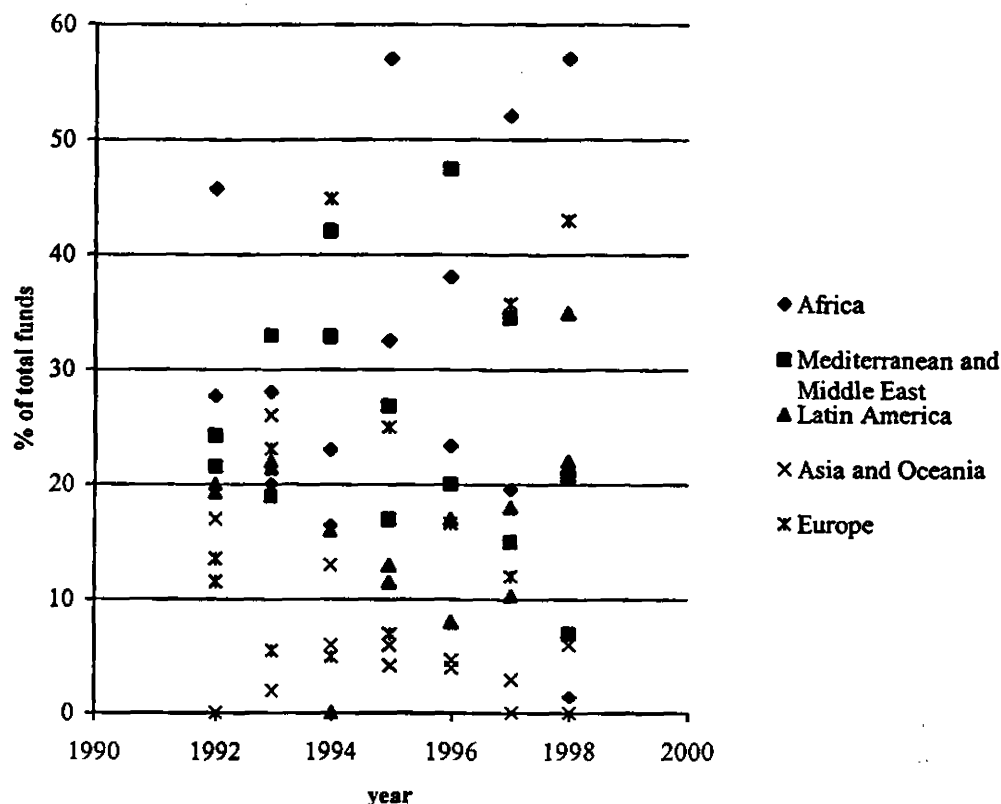
	<i>Italy</i>	<i>Tuscany</i>
<i>Africa</i>	40,4	22,7
<i>Mediterranean and Middle East</i>	20,6	30,9
<i>Latin America</i>	18,6	15,2
<i>Asia and Oceania</i>	10,7	2,4
<i>Europe</i>	9,7	28,8

Source: Compiled by this author

It is evident that the Italian state played a relevant role in limiting Tuscany's capacities to act abroad. The Italian administration, at least until 1993, retained command and control capacities. As we have seen in previous sections, the Italian state forced the regions and

localities to carry out their co-operation activities in the framework of Italian international aid programs. This limited the possible areas for Tuscany's intervention. The following figure can help us to better understand the impact of Italian aid programs on the establishment of Tuscany's decentralized co-operation schemes.

Figure 33: Geographical allocation of aid: Tuscany vs. Italian State 1992-1998



The figure above compares the patterns of aid distribution of Tuscany and the Italian State. Each geographical area is assigned a symbol. Thus, for each year every symbol is represented twice, one reflecting the percentage of funds allocated by Tuscany for this year in that area and the second one reflecting the percentage of State funds allocated in that year. The overall logic of the figure is quite simple, the more dependent Tuscany's aid is on the State's command and control capacities, the closer similar symbols should be represented in the figure.

As the figure above shows, Tuscany's aid was very much confined within Italian aid schemes in 1992. The only exception would be Africa and Asia. Tuscany's administration did not allocate funds in Asia whereas the remaining percentages of funds were concentrated in Africa, a very sensitive area for local NGOs.

From 1993 onwards the figure shows the increasing dispersion of symbols, thus, the existence of differentiated patterns of geographical allocation of funds for Tuscany and the Italian State. This situation is a direct consequence of the major crisis of the Italian aid system.

As discussed previously, the edifice of Italian aid collapsed in the early nineties as a result of the fiscal crisis of the State and a number of corruption scandals. This crisis resulted in an overall re-definition of Italian international co-operation which increasingly concentrated co-operation efforts in multilateral, rather than bilateral, aid, reducing the role of the latter. Since 1994, regions simultaneously sought to enhance their capacity to develop autonomous foreign projection schemes. These two elements jointly account for the diminishing capacity of the State to exert efficient control over Tuscany's foreign aid activities before 1999.

Tuscany's pattern of allocation would increasingly follow the pattern set by existing activities of NGOs. Moreover, thanks to its enhanced capacities to develop an autonomous European policy, from 1995 onwards the region began to engage in the decentralized aid for development programs of European institutions. This trend is further confirmed by the analysis of Tuscany's pattern of geographical allocation from 1999 onwards.

During this period, the EU became an important partner in Tuscany's decentralized aid policies. The European Union does not exert command and control capacities but it has established its own aid initiatives in which regions are invited to participate. The EU therefore operates as a financing institution.

At this stage Tuscany, (mainly due to financial, but also political and normative, reasons) began to apply for European funds, while at the same time it maintained organizations' allegiance to the regional aid system by sustaining NGOs' initiatives. These initiatives might align with European international co-operation policy or, on the contrary, might respond to their own priorities. Later sections explore these issues.

Geographical priorities and the interaction between the international co-operation agenda and the agenda of Europeanization

Tuscany's decentralized co-operation, as defined in the L.R. 17/99 and the *piano regionale 2001-2005*, is strongly related to the agenda of Europeanization and the politics of developing an active profile in the context of European integration.

Since 1994 Tuscany has developed an ever increasing agenda of European affairs. This agenda materialized in the creation of an office for international projection activities in 1995 and in the establishment of a representatives' office in Brussels in 1998. Moreover, Emidio Diodato and Ilaria Bugetti have insisted on the relevance of the agenda of European integration for the last Chiti government and particularly in Claudio Martini's first term in office⁵²³.

According to Fabbrini and Brunazzo, a broad process of Europeanization of Italian regional policy took place in the nineties. This process would have reinforced the capacities of regional institutions in Italy. In their own words: *'The adoption of EU principles, in Italian regional policy, has reinforced the regional governmental institutions, at the expense of the national legislature and executive. Moreover, the Italian regions increased their activities of lobbying and networking at the European level, setting up in Brussels their own regional offices. [...] This has encouraged the formation of a network of relations among regional-level social and political actors, plausibly contributing amongst other things to increase the capacity to spend European regional funds by the Italian regions, although that capacity is still below the European average. Thus, the Italian regions gradually increased their financial capacity through European programmes. Of course, that increase appeared yet unsatisfactory.[...] Regional political and administrative élites, especially where they were able to activate the favourable cultural and social conditions, increasingly used the Europeanization thrust (and the resources connected to it) to look for more autonomous (from the national élites preferences) strategies of local and regional development.'*⁵²⁴.

⁵²³ See Emidio Diodato and Ilaria Bugetti: 'La presenza internazionale della Regione Toscana (1970-2003)' (*op. cit.*) pp. 248-252

⁵²⁴ See Sergio Fabbrini and Marco Brunazzo: 'Federalizing Italy: The convergent effects of europeanization and domestic mobilization' *Regional and Federal Studies*, Vol.13, No.1, Spring 2003, pp. 110-111

The introduction of the *piano regionale* as a regulatory instrument within the international co-operation system has permitted the introduction of the European agenda within the agenda of international co-operation. There are multiple reasons for this process of conflation. As we have mentioned before, Tuscany is dependent on external resources to keep decentralized aid policy functioning. Thus the EU, given its commitment to decentralized aid policy schemes, represents an attractive partner.

Nevertheless, it is also important to note the impact of very nature of the regional plan as a regulatory instrument of international co-operation. The *piano regionale's* main task is to further integrate decentralized co-operation schemes in the general framework of Tuscany's foreign projection. The regional plan for international co-operation is produced by the Foreign Affairs Service of the region in accordance with the agents of the territory, thus mirroring the general international policy priorities offset by the regional presidency.

The ever-increasing importance of the European integration agenda in the framework of Tuscany's foreign projection has led to Tuscany's increasing co-participation in different European programs. Tuscany has developed a number of co-operation schemes with new member states in Central-Eastern Europe, intended to facilitate the implementation of the *acquis communautaire* in these countries. Furthermore, in the context of its co-operation activities in Latin America, Tuscany participates in a number of networks sponsored by the European Union's program URBS-AL. In Asia, Tuscany participates in the program ASIA-URBS. In the Mediterranean area, Tuscany participates in the programs MEDA LIFE as well as having put forward a number of initiatives in the context of the program INTERREG III-B. Finally, one of the most important tasks of the Tuscan administration within the decentralized aid system is to raise funds from European programs to make them available to actors in the territory.

The lack of the appropriate data does not allow us to quantify the relative weight of European initiatives within the Tuscany's overall decentralized co-operation scheme. Yet, from the analysis of the regional plan and the geographical allocation of funds, it clearly emerges that the EU has an important impact on the setting of regional preferences. Firstly, as is evident from the analysis of the plan, the region is establishing, in accordance with the overall strategy of Europeanization of the region mentioned above, a European profile for

the region. Secondly, the connection with European institutions has been implemented through incorporation of the regional plan's geographical priorities, for example Central-Eastern Europe, areas which were not originally in the mindset of regional politicians. The next sections analyse these issues.

Tuscany as a region in Europe.

As stated in the *piano regionale 2001-2005*, the diffusion of co-operation schemes between sub-state tiers of government at the European level, the extension of the principles of subsidiarity and partnership and their impact on the national political scene are key elements in order to understand Tuscany's engagement in decentralized aid policies⁵²⁵.

Within this context, '*la Toscana intende rafforzare il suo ruolo di Regione d'Europa nella costruzione di una comunità aperta agli scambi commerciali, demografici e culturali soprattutto nell'area mediterranea, in rapporto a quei Paesi in Via di Sviluppo che cercano in Europa punti di riferimento per una cooperazione più avanzata.*'⁵²⁶. Tuscany's administration intends to reinforce its role within Europe by participating in international co-operation schemes with those countries which see the possibility for advanced modes of international co-operation.

This idea (i.e. the link between the reinforcement of Tuscany's role in Europe and international co-operation schemes) is further developed in the document *La Toscana per la pace e la cooperazione*. According to this document, the promotion of peaceful relations among peoples and respect for cultural differences has been at the core of regional involvement in development co-operation policy. Regional involvement in the Balkans and the Mediterranean situates Tuscany at the core of a network of pacific relationships between the East and West and between the south bank of the Mediterranean and Europe.

The original contribution of Tuscany to the process of European integration is that of representing best European traditions of democratic governance and respect for human rights. Moreover, Tuscany represents a model of civic co-existence and of endogenous and

⁵²⁵ See *Piano regionale 2001-2005 (op. cit.)* p. 4

⁵²⁶ See *Piano regionale 2001-2005 (op. cit.)* p. 8

sustainable economic growth based on local development. These considerations are the main guidelines for the development of Tuscany's international co-operation.⁵²⁷

In the words of an informant from the regional government: *'l'identità toscana appare legata all'europa. Questo è un po' nella storia della Toscana. Si è sempre guardato all'esterno. Da un punto di vista storico la Toscana è sempre stata indipendente, quindi ha sempre tessuto rapporti politici con l'esterno. Questo sicuramente ha pesato. Soprattutto le motivazioni geografiche sono delle motivazioni che guardano al futuro dell'Europa, nel senso che l'Europa deve essere più forte e coesa al proprio interno e deve essere un punto di riferimento per le aree vicine ad esempio i Balcani. Per questi Paesi l'obiettivo è l'ingresso in Europa, con tutte le difficoltà dei casi, allo stesso tempo l'europa deve essere un punto di riferimento anche per il Mediterraneo. Storicamente deve giocare un ruolo forte, non si può pensare che questi paesi abbiano riferimento altrove. Percorso per l'europa è obbligato'*⁵²⁸.

The *piano regionale* has emphasized Tuscany's role as a European region in the Mediterranean area. The document emphasizes the development of dynamics of dialogue and co-operation in the area, as a result of the Barcelona Declaration for the development of Euro-Mediterranean partnership⁵²⁹. Yet, the *piano regionale* insists on the need to better structure co-operation schemes in the as a forerunner to establishing a free trade area in the Mediterranean Sea in 2010⁵³⁰.

Tuscany's contribution to the development of better co-operation instruments first resides in the valuing, through dialogue and co-operation among peoples, of mutual respect for cultural differences and safeguarding cultural diversity in the area, and of a Mediterranean identity, which is perceived as a common heritage of the different peoples and cultures which had developed in the area⁵³¹.

Secondly, the region emphasizes the importance of focusing attention on territorial development strategies and the significance of endogenous growth-oriented economic co-operation strategies. Tuscany is perceived in this document as a region offering a tradition

⁵²⁷ See *La Toscana per la pace e la cooperazione*. Firenze 12 novembre 2001.

⁵²⁸ Interview with Fabrizio Pizzanelli conducted by Ilaria Bugetti on the 20th of March 2003

⁵²⁹ See *Piano regionale 2001-2005* (op. cit.) p. 24.

⁵³⁰ See *Piano regionale 2001-2005* (op. cit.) p. 24-25.

⁵³¹ See *Piano regionale 2001-2005* (op. cit.) p. 25.

of territorial development rooted on the integration of territorial interests and local development strategies, which might serve as a point of reference for other territories in the south bank of the Mediterranean seeking to foster sustainable development strategies.⁵³²

The documents stress Tuscany's contribution in the area of capacity and institutional building at the local level as part of a broader tradition of socio-economic development based on local development strategies. This relies on grassroots participation and mobilization as an important resource to establish inclusive development strategies⁵³³.

Yet, in addition to the programmatic dimension and the self-defined role of Tuscany as a region in the Mediterranean area, the incorporation of a European dimension to decentralized aid policies has brought about an inevitable process of adjustment between Tuscany's self-defined priorities as an international actor and the necessities of the process of European integration and enlargement.

Tuscany as a region in Europe and the structure of funds allocation.

The integration of the co-operation agenda and the agenda of Europeanization is not an easy task for Tuscany's regional administration. As emerges from the text of the *piano regionale* the integration of both agendas is heavily dependent on the coincidence between Tuscany's self-established role as the gateway of Europe to the Mediterranean area and European development policy priorities as settled in Brussels.

The plan insists, and it is common currency among informants, that eastward enlargement has displaced the attention of European policy initiatives in the realm of international co-operation to Central and Eastern Europe, while the importance of the Mediterranean Area would have been severely downplayed in the years 1999-2004⁵³⁴.

Thus, the effects of the integration of the Europeanization agenda in Tuscany's decentralized aid policies seem to be two-fold. First, it is perceived as a major asset that might permit Tuscany to develop a central role in the Mediterranean region. Nevertheless,

⁵³² See *Piano regionale 2001-2005 (op. cit.)* p. 25.

⁵³³ See *Piano regionale 2001-2005 (op. cit.)* p. 26.

⁵³⁴ See *Piano regionale 2003* pp. 14-16 and 24.

in the last few years changes in the European agenda of international co-operation would have constrained Tuscany's capacity to develop this role.

Table 11: Comparative allocation of funds in Tuscany for the periods 1992-2000 and 2001-2003

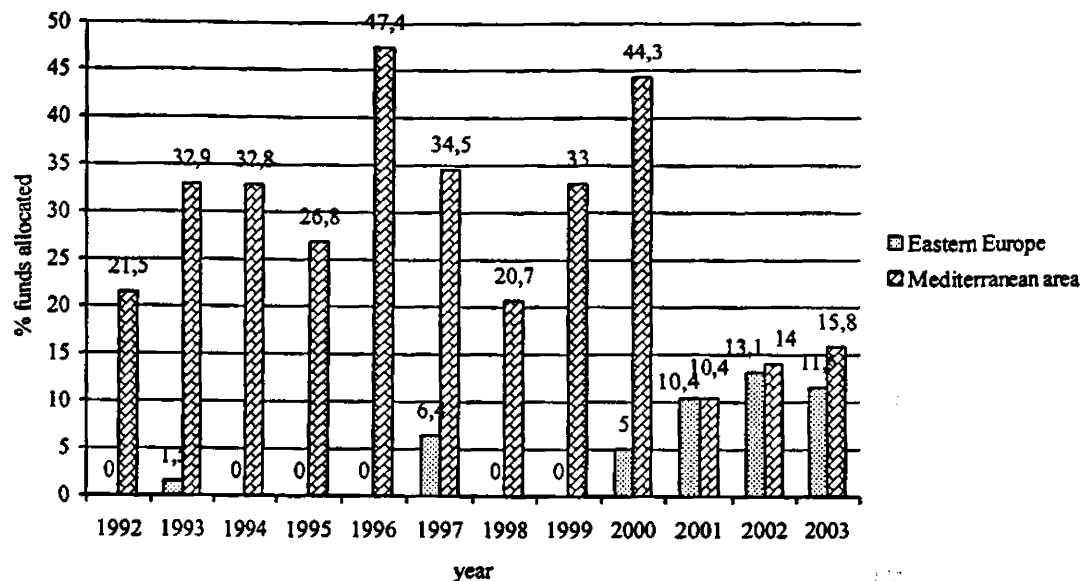
	<i>Period: 1992-2000</i>	<i>Period: 2001-2003</i>
<i>Africa</i>	20.4	21.1
<i>Latin America</i>	15.6	23.9
<i>Asia</i>	2.5	7.2
<i>Eastern Europe</i>	1.4	11.7
<i>Balkans</i>	27.4	22.7
<i>Mediterranean Area</i>	32.7	13.4
<i>Total</i>	100	100

The data presented above would partially confirm the weight of the European development agenda in defining the geographical priorities of Tuscany's decentralized aid. There is a neat division between the period 1992-2000 and the period 2001-2003. During the former period, Tuscany allocated very little resources to Eastern Europe, whereas the most important share of aid funds were allocated to the Mediterranean area, very much in line with Tuscany's aspiration of playing a differentiated role in the area.

The period 2001-2003, during which the regional plan on international co-operation activities was implemented, shows a rather different pattern. Both Eastern Europe and the Mediterranean area enjoy a similar level of funds allocation. This imply that the allocation of funds to Central-Eastern Europe is eight times bigger than during the period 1992-2000, whereas the percentage of funds allocated to the Mediterranean area has been reduced to less than half.

The chart below shows an even more striking picture by comparing the allocation of funds on a yearly basis. Data for the period 2001-2003 would confirm the overall impact of the agenda of European integration on policy schemes in Tuscany.

Figure 34: Comparative allocation of funds Eastern Europe vs. Mediterranean Area



Thus the picture is one in which, since 2001, Tuscany seems to be finding it difficult to combine the idea of being a region in Europe, its normative consequences in terms of the tasks and goals of the region's international projection, and effective participation in European international co-operation programs and the consequences of eastward enlargement.

NGOs and the definition of geographical priorities in Tuscany's decentralized aid

In 1996, analysing the impact of federal reform on social movements, Marco G. Giugni wrote: *'Se l'esperimento regionale non ha probabilmente cambiato di molto l'azione dei movimenti sociali in Italia a causa del suo limitato potere decentralizzatore, la creazione di un vero e proprio stato federale dovrebbe indurre i movimenti a decentralizzarsi e a moderare il loro repertori d'azioni, così come dovrebbe provocare dei cambiamenti rispetto alle loro possibilità di successo.'*⁵³⁵ According to the author, mobilization in the

⁵³⁵ See Marco G. Giugni: 'Federalismo e movimenti sociali' *Rivista Italiana di Scienza Politica* XXVI. n. 1. Aprile 1996. p. 168.

context of a federalist system would be more successful in obtaining a reaction from institutions than proactive political behaviour.

As we have seen in earlier sections, in the case of solidarity movements, co-operation between organizations and local and regional institutions can be traced back to the mid-eighties. Furthermore, as previously noted, the overall crisis of the Italian co-operation system pushed NGOs, not only towards the supra-national arenas, but also towards the sub-national tiers of government. Since the mid-nineties, the latter became an attractive partner for the development of international co-operation schemes.

Most interviewees identify the constitution of a decentralised aid policy system in Italy as a bottom-up process, linking the establishment of decentralised aid schemes to a long tradition of associationalism in the territory. In the case of Veneto or Lombardy, the associations were part of the Catholic culture of parochial associations and missionaries, whereas in Tuscany, associations emerged in the context of left-leaning movements of solidarity with the independence cause in Africa or Latin America (especially Nicaragua and Cuba)⁵³⁶.

As we have seen, since the early phases of Tuscany's engagement in decentralized co-operation schemes, social movements have played a relevant role. In the mid-eighties it was due to the initiative of such movements that local and regional institutions began to develop international co-operation schemes.

After the reforms of the L.R. 17/99 the regional administration opened the decentralized co-operation system to the participation of local NGOs, both through their participation in the *tavoli di coordinamento* and through the participation of local NGOs in the *progetti a bando*. Thus, NGOs have an important input in the structure of decentralized aid schemes in Tuscany. This is especially evident if we consider the geographical allocation of resources.

The regional plan acknowledges the influence of NGOs in defining geographical priorities when it states: *'l'America Latina, pur non essendo identificata dalla regione come prioritaria, l'attività di cooperazione degli attori toscani la segnalano come una delle aree privilegiate dalla cooperazione di base e conseguentemente anche l'attività della Regione*

⁵³⁶ Interview conducted on the 14th of November 2003.

*Toscana si è andata evolvendo, registrandone la crescita sia dal punto di vista quantitativo che qualitativo.*⁵³⁷

The paragraph quoted above may help us to characterize the impact of NGOs on the overall process of establishing decentralized aid schemes in Tuscany. On the one hand, Tuscany's administration has tried to put in place a number of directives to guide the structuring of international aid schemes' implementation.

On the other hand, the region has had to come to grips with the network of associations operating in the territory, which had been developing international co-operation activities since the late seventies and early eighties, without taking into account the needs of Tuscany's foreign projection. In the initial phases of Tuscany's engagement in decentralized aid policies, the regional administration learnt from the social actors. However, the agenda of internationalisation of the region brought about by Chiti gave a new dimension to Tuscany's international co-operation⁵³⁸.

The new agenda was accompanied by the steady growth of the administrative apparatus which was devoted to development aid issues. This increased the capacity of the region to reflect upon issues related to economic development assistance, and to act in a more independent fashion vis-à-vis other actors⁵³⁹.

These changes have led to a new scenario where the relations between social actors and the regional administration could become increasingly conflicting. The region does not blindly follow NGO initiatives and tries to push decentralized co-operation in the direction of its main interests. At the same time this political control is not balanced by an increase in available resources, thus the region's capacity to control NGOs activities in exchange for economic resources is compromised.

Moreover, NGOs remain a necessary instrument both for implementation and also at the level of the normative resources for the policy, thus the regional administration has to accommodate the interests and activities of NGOs in the overall system⁵⁴⁰.

⁵³⁷ See *Piano regionale 2003 (op. cit.)* p. 31.

⁵³⁸ Interview conducted on the 12th of November 2003.

⁵³⁹ Interview conducted on the 12th of November 2003.

⁵⁴⁰ Interview conducted on the 12th of November 2003.

As explained by an informant from the NGOs: *'le ONG in generale hanno una loro politica che poi si realizza o meno indipendentemente dalla possibilità di finanziarla o meno. Noi abbiamo relazioni in diverse parti del mondo e cerchiamo finanziamenti da parte dei vari finanziatori. La regione toscana per il COSPE rappresenta il 3% dei fondi, quindi noi lavoriamo insieme alla regione. Ovviamente alla regione chiediamo i soldi per l'area che lei ritiene prioritaria, per l'Africa sub-sahariana chiediamo i fondi a chi ritiene quest'area prioritaria. Che sia il ministero, l'Unione Europea, associazioni cattoliche ecc., le Ong sono "opportuniste", però abbiamo preteso che la priorità non divenisse esclusività. Questo perché pensiamo si debba rispettare tutta la società, e c'è chi lavora nel mediterraneo, nell'Africa ecc. la Regione non può dare contributi solo a chi va nel mediterraneo perché lei ha fatto questa scelta politica, ma deve sostenere anche l'associazione dei congolesi, ad esempio.'*⁵⁴¹.

The data on the comparative allocation of funds presented above to some extent confirms the overall picture presented. The region has had to integrate its own preferences with that of associations operating in the territory. For both periods identified (before and after the L.R. 17/99), the allocation of funds in areas of special interest for Tuscany's NGOs has remained quite stable. What is more, in the case of Latin America the allocation of funds has substantially increased, from 15,3% to 23,9% (see data below).

Table 12: Comparative allocation of funds Latin America and Africa for the periods 1992-2000 and 2001-2003

	Period: 1992-2000	Period: 2001-2003
Africa	20.4	21.1
Latin America	15.6	23.9

The increasing relevance of Latin America as a destination for Tuscany's decentralized aid, even when the region recognizes that this is not a priority area, reveals that NGOs remain an important player within Tuscany's international co-operation. In a similar vein, the case of Africa would account for the important role of NGOs within the overall system, even if in this case Tuscany does not explicitly downplay the relevance of the African continent for Tuscany's international co-operation.

⁵⁴¹ Interview with Malavolti conducted by Ilaria Bugetti on the 3rd of April 2003

- **Geographical allocation and the multilayered structure of Tuscany's decentralized aid.**

In previous sections we have analysed the gap between what it is stated in the plan and the implementation of Tuscany's decentralized aid programs in terms of the geographical allocation of funds. Behind an image of relative inconsistency, the analysis of the patterns of allocation of Tuscany's foreign aid can help us to assess the impact of the interaction of the regional administration with different actors. Previous sections have focused on three major actors: the State, the EU and NGOs operating at the local level.

As we have tried to show, the State's administration has lost all of its command and control capacities over Tuscany's decentralized co-operation. The comparative analysis of the patterns of fund allocation shows how Tuscany, from 1993 onwards, has increasingly developed an autonomous pattern of allocation vis-à-vis the State's foreign aid policy. As we mentioned before, this process can be understood as the result of a major crisis of Italian foreign aid and the reforms taking place in 1994 which permitted Italian regions to develop an autonomous foreign profile. From 1995 onwards, the regional administration began to approach the European Union as part of a broader strategy to internationalise the region, which has had a strong impact on the establishment of decentralized aid policies in the region.

The analysis of the impact of the European Union's co-operation schemes has shown, to a certain extent, the relevance of the European input on the development of regional decentralized aid policy from the late nineties onwards. At the level of policy making, the regional administration has connected the development of decentralized aid for development schemes to the implementation of Tuscany's role as a region in Europe. This role is defined in terms of facilitating access to European initiatives by civil society actors. More importantly, the region has defined its role as the gateway of Europe to the Mediterranean area.

The twofold nature of the link between Europeanization and decentralized co-operation has had contradictory effects on the implementation of Tuscany's decentralized aid for development policies. The regional administration, by coordinating its decentralized aid

programs with European initiatives, has complied with policy preferences established at the European level. As we have seen before, these include the development of co-operation programs for accession countries in Central Eastern Europe.

Whereas the region has tried to orient its decentralized aid programs towards the fulfilment of the Mediterranean agenda, the capacity of the region to allocate funds in the area is constrained by European policy initiatives, since Tuscany does not enjoy a high level of financial autonomy and an important part of the funds managed at the regional level would be provided by European programs.

Unfortunately the lack of appropriate data does not permit us to further confirm this point. Nevertheless, the information gathered during the interviews and the analysis of the documentation at hand would indicate the existence, from 1999 to 2003, of a Europe-driven re-allocation of Tuscany's decentralized aid for development initiatives towards Central-Eastern Europe, and therefore of an increasing impact of the European Union on Tuscany's decentralized aid policy schemes.

Finally, NGOs are sought to influence the pattern of aid allocation. As we have said before, Tuscany's aid relies on the participation of NGOs as implementation agents (at least 40% of the funds are implemented through NGOs). NGOs have their own political agenda as well as their own policy preferences that they seek to implement. Part of the strategy of NGOs has consisted in diversifying the sources of funding, thus limiting the impact of a single institutional tier and permitting them to better develop their own policy objectives.

As a result, NGOs have been able to introduce some amendments to regional policy priorities. Basically, these are the inclusion of Africa and Latin America, traditional areas of intervention for Tuscan NGOs, among the priorities of the regional administration. The analysis of the allocation data shows how both areas have received a substantial amount of funds since the approval of the regional plan (45% percent of the funds allocated for the period 2001-2003), indicating the important role that NGOs play in the process of policy implementation. Nevertheless, the lack of data on the distribution of funds among partners does not permit us to further confirm the weight of NGOs in decentralized aid policies in Tuscany.

As arises from the empirical evidence presented above, the interactions between institutions and social actors within the decentralized aid system have led to two different patterns of exchange.

In the context of exchanges with European institutions, Tuscany has profited from the opportunity structure opened by European projects. Consequently it has had to comply with EU policy preferences. Yet, this does not imply that Tuscany's decentralized aid policy is integrated in an overall European scheme. Conversely, in recent years, as a result of participation in European schemes, Tuscany has compromised important elements of its own international projection agenda in exchange for the possibility of participating in European decentralized co-operation schemes and profiting from European funds.

The interactions with social actors would respond to a different logic. Here the region has incorporated NGOs in the decision making process. They also play a fundamental role in the implementation of the policy. Thus, a process of broader integration of the regional administration and social actors can be identified. This systemic logic is counterbalanced by the relative autonomy of NGOs within the system and their opportunistic approach to the regional administration as explained by an informant in the previous section.

Nevertheless, it seems plausible to say that NGOs have had an input in defining decentralized aid co-operation policy in Tuscany, which goes far beyond the limits of merely opportunistic action within a system of multiple donors. This view is supported by the fact that NGOs manage more than 40% of the total regional decentralized aid funds each year. Furthermore, the impact of NGOs on Tuscany's decentralized aid has altered the patterns of funds allocation to include Latin America and Africa as priority areas, despite the traditional Mediterranean leanings of the region.

Contrary to what occurs when the region approaches European institutions, the interactions between social actors and regional institutions represent systemic constraints on the capacity of the region to develop decentralized aid as a part of a broader project of international projection. Firstly, NGOs are necessary in the implementation phase, as well as representing an important symbolic asset. Secondly, the region's lack of resources does not permit it to exchange compliance on the part of the NGOs for a political agenda for regional funding purely structured along the necessities of Tuscany's foreign projection.

The result is that the interactions between NGOs and the regional administration introduce bargaining and an incremental strategy of policy implementation at the core of Tuscany's system of decentralized aid.

b. Material priorities: decentralized aid and Tuscany's economic development model

• **Introduction: Sustainable local development and Tuscany's development co-operation activities**

The *piano regionale* settles a number of material priorities, that is, a set of priority activities within the broad realm of development policy aid. The fields of intervention must be coherent with the general objectives identified in earlier parts of the plan and in the L.R. 17/99. These broad objectives can be basically summed up as the promotion of local development and the reinforcement of civil society in LDCs.

The commitment of Tuscany's administration to local development promotion initiatives is described in the following terms by an informant from the regional administration: '*Per quanto riguarda l'idea dello sviluppo, si dovrebbe piuttosto dire la dimensione locale dello sviluppo, quindi le esigenze e i problemi che nascono in una comunità regionale o locale.*'⁵⁴²

The promotion of local sustainable development is identified in the *piano regionale* as a multifaceted process. First, it has a political/institutional dimension. The *piano regionale* commits to supporting the institution building processes. The document expresses special concern for democratisation processes at the local level and decentralisation: '*Uno dei compiti più rilevanti della cooperazione decentrata è costituito dalle politiche di "institution building", di appoggio ai processi di decentramento e democratizzazione a livello locali. Questo punto è rilevante anche in funzione della creazione dell'ambiente politico più adeguato per i progetti di cooperazione nei servizi pubblici.*'⁵⁴³

Secondly, it presents an economic side. The *piano regionale* establishes a number of priorities in the field of economic co-operation. These are: the promotion of the informal sector (micro-enterprises) and the development of small and medium sized enterprises; the

⁵⁴² Interview with Fabrizio Pizzanelli conducted by Ilaria Bugetti on the 20th of March 2003.

⁵⁴³ See *Piano regionale* 2003 (op. cit.) p. 31.

promotion of sustainable agriculture and the protection of cultural goods. Finally, the region engages, in co-operation with the *Banca Etica*, in a number of micro-credit initiatives.

Thirdly, local development, according to the *piano regionale*, has an environmental facade to it. The region specifically establishes among its priorities the protection of the environment and the development of ecologically sustainable initiatives. The document recalls the collaboration of the ARPAT, a regional centre specialised in environmental impact assessment.

Finally, the *piano regionale* defines co-operation in the health care field as a regional priority. In this respect, the region understands that co-operation in the health care sector should mainly take place in those areas identified by the document as priority. The regional government sponsors agreements among the different actors in the health sector in Tuscany and their counterparts in specific underdeveloped areas, defining long term co-operation schemes.

Nevertheless, as an informant from the regional administration states: '*[...] in realtà è una concezione che stiamo costruendo, facendo più che avendo una piena consapevolezza di tutte le opportunità che sono legate alla dimensione locale dello sviluppo.*'⁵⁴⁴.

The notion of sustainable local economic development presented so far seems to be heavily linked to debates on the evolution of Tuscany's economic development model. In the words of the same informant: '*[...] Dovrei anche dire che quella dei modelli locali di sviluppo è una riflessione in crescita, che si accompagna alla crescita del decentramento del mondo, della riflessione dello sviluppo locale, su cose nuove come la specializzazione in campo agricolo, la valorizzazione dei beni culturali, certe forme di turismo diffuso sul territorio, valorizzazione della piccola e media impresa e dell'artigianato.*'⁵⁴⁵.

The linkage between Tuscany's economic model and decentralized aid operates, at least at the level of political discourse, in the following manner: Firstly, regional authorities build up the case for exporting what they consider a particular model of integrating the economy and the construction of the polity. The so called Tuscan economic model is presented as a

⁵⁴⁴ Interview with Fabrizio Pizzanelli conducted by Ilaria Bugetti on the 20th of March 2003.

⁵⁴⁵ Interview with Fabrizio Pizzanelli conducted by Ilaria Bugetti on the 20th of March 2003.

system of production deeply rooted in the traditions of the territory and in a widespread ideological consensus. This consensus is the result of leftist political subculture combined with the emphasis on practices of concertation and social integration.

Secondly, regional authorities try to situate the contributions of the Tuscan development model in the context of globalization. On the one hand, the practices of concertation and social integration, '*the tuscan way of doing things*', is invoked. Social movements are integrated in the frame of regional politics. Consequently, decentralized aid is conceived partially as an instrument within the context of broad dialogue between social actors and the regional administration.

On the other hand, the changes in the international economic structure derived from globalisation have challenged the regional system of production. The regional administration seeks for new ways of promoting the regional productive tissue abroad. These new strategies of internationalisation of the economy include decentralized cooperation as a means of assisting regional industries access to emerging markets.

The following sections explore the relationship between decentralized aid and Tuscany's economic development model. First, a brief excursus on the nature of Tuscany's economy is presented. Secondly, Tuscany's economic development model is explored in relation to decentralized aid for development. Regional authorities perceive Tuscan economic model as an asset of the decentralized aid for development system. Finally, I will try to show the way in which the discourse of regional authorities has been constructed is contradictory and consequently it might operate only in a policy context of low institutionalisation and scarcity of resources⁵⁴⁶.

⁵⁴⁶ The lack of appropriate data forces us to analyse the link between the economy as an identity marker and the construction of a decentralized aid system in Tuscany only at the level of political discourse.

- **Excursus: "Tuscany's economic development model"**

Tuscany's development model evolved since the fifties along the lines of concentration of small and medium sized industries and specialization leading to what has been called "the four Tuscanies."⁵⁴⁷

The consolidation of this model was made possible through the growth of inter-industry relations between firms specialized by phases. This phenomenon multiplied the territorial interactions between productive and residential areas rather than sifting them out. The process was also sustained by a local redistribution of population that took place according to the mechanisms of gradual adjustment, which tended to bring together the place of residence and the place of production. The outcome was the formation of localised networks of socio-economic interaction which took place in relatively self-contained territorial contexts where residence and place of work operated to create a sense of self-identity⁵⁴⁸.

According to Sforzi, industrial districts in Tuscany were characterized by co-participation between the community and small firms. Co-participation consisted of the process by which the community exercised an autonomous function in relation to the organization of production based on a common social culture. A shared base of common values and normative orientations served to create a cultural context favourable to economic enterprise; it influenced industrial relations and the activities of local government and administration⁵⁴⁹.

Carlo Trigilia has shown how interactive networks of local and regional institutions in Tuscany encouraged and sustained a leftist political sub-culture. The political continuity provided by this leftist subculture contributed to preserving the traditional social environment and the shaping of a particular orientation regarding economic activities.

⁵⁴⁷ See Fabio Sforzi: 'The "Tuscan model" and recent trends' in Giacomo Becattini, Marco Bellandi, Gabi Dei Ottai and Fabio Sforzi 2003: *From Industrial Districts to Local Development: An Itinerary of research* Cheltenham, U.K.: Edward Elgar p.32-33; See also: Shari Garmise: 'Convergence in the European Community: The case of Tuscany' in Robert Leonardi and Raffaella Y. Nanetti eds 1994: *Regional development in a modern European economy* London: Pinter Publishers p. 29-30

⁵⁴⁸ Fabio Sforzi: 'The "Tuscan model" and recent trends' (*op. cit.*) p. 41.

⁵⁴⁹ Fabio Sforzi: 'The "Tuscan model" and recent trends' (*op. cit.*) p. 41.

Moreover, it has generated a strong consensus that has allowed successive regional governments to pursue activities that favour the growth of small business⁵⁵⁰.

According to Nanetti, modernization encouraged the transformation of this consensus, which moved from an implicit social base to explicit forms of political exchange between institutions and stakeholders and entrepreneurs. Institutions provided advanced business services to small and medium size firms. These services helped to contain the costs of innovation, secure new markets, assist in restructuring of productive capacity and expanding production activities through the promotion of cultural, environmental and archaeological resources. These services took four main forms: a) strategic assistance; b) specific education requirements such as vocational schools and management training courses; c) direct regulation of externalities and the labour market; d) the instigation of public-private partnership to provide the necessary resources for larger development-inspired projects. As a result, small firms, the preservation of the political sub-culture and Tuscany's institutions have become even more interdependent⁵⁵¹.

The evolution from an industrial economy to a service-oriented economy has changed the structure of Tuscany's economic system, leading to increasing diversification among the different Tuscanies. The regional economic system can be defined as a network in which different local systems of production are integrated. The exchange of goods and services has redefined the regional economic space to create a regional system that goes beyond the sum of local systems of production, permitting a better assessment of endogenous resources for economic growth. The structure of relations has progressed beyond specialization and articulation along the single productive process to include the exchange of services. Tuscany (as opposed to Tuscanies) is conceived of as a structure of opportunity for the expansion of open local systems of production that create and capture external demand⁵⁵².

⁵⁵⁰ See Carlo Trigilia 1986: *'Grandi partiti e piccole imprese'* Bologna: Il Mulino pp. 131 and 209-309

⁵⁵¹ See Raffaella Y. Nanetti 1988: *'Growth and Territorial policies: The Italian model of social capitalism'* London: Pinter Publishers pp. 93-116

⁵⁵² See Alessandro Cavalieri (ed) 1999 *'Toscana e Toscane: Percorsi locali e identità regionale nello sviluppo economico'* Firenze: IRPET pp. 263-269

- Tuscany's development model as an asset

The Tuscan economic model as a normative marker.

Elements of Tuscany's development model have been used by politicians as to build up a system of normative markers for decentralized aid policy. This system of normative markers puts Tuscany's development model at the centre of a twofold way of conceiving the region. *Ad intra* the region is defined in terms of the practices of concertation and the broad ideological consensus which supported the development of industrial districts. This "Tuscan way of doing things" affects the way in which social movements and NGOs are integrated in decentralized aid policies. *Ad extra* the normative discourse surrounding the economic development of the region, particularly the practices of concertation, is used as a discursive marker of the necessary link between economic development and practices of good governance and sustainability.

These issues have been summarized in the following statements by Vannino Chiti and Massimo Toschi: *'La regione, in fasi diverse ha portato avanti, prima una pratica che si chiamava di programmazione negoziata o contrattata [...] E' dunque diventato un fatto di volontà politica e istituzionale, su che cosa c'è obbligo di coinvolgimento, qual è la parte che aspetta alle organizzazioni del mondo economico e sociale ecc. Queste esperienze non hanno riguardato solo la vita economica ma anche la vita complessiva della regione, per esempio le associazioni di volontariato ecc.'*⁵⁵³. Therefore, *'Siamo anche un modello sul piano economico. C'è una modalità di amministrare il territorio che può essere presa ad esempio. [...] La toscana gode comunque di una situazione autonoma, nella consapevolezza di avere un proprio modello una propria identità, e di essere creativi nella costruzione del partenariato'*⁵⁵⁴.

The Regional development model is deeply rooted in the continuity of a leftist political sub-culture that switches the debate on the modes of exporting Tuscany's development model into a highly normative one in which considerations of the practices of good governance are placed side by side with issues such as ecological sustainability or the promotion of medium and small sized enterprises.

⁵⁵³ Interview with Vannino Chiti conducted by Ilaria Bugetti on the 17th April 2003.

⁵⁵⁴ Interview with Massimo Toschi conducted by Ilaria Bugetti on the 21st of March 2003.

Regional institutions commit, through decentralized aid schemes, to the worth of the Tuscan model of economic development as a normative value along which to structure, not only Tuscany's projection abroad, but also the construction of Tuscany as a territory.

As stated in the *piano regionale*, the regional administration is trying to '*valorizzare un modello di "sviluppo toscano" che contraponga a quello del libero mercato il concetto di sviluppo sostenibile, seguendo una nuova strategia politica che ponga al centro la nozione di governance valorizzando il ruolo fondamentale e decisivo delle entità subnazionali. Le strategie di azione individuate in occasione di questo evento, legate ai temi della sostenibilità e rivolte ad aprire il contesto regionale agli spazi internazionali di un mondo vario e complesso, rappresentano una meta importante per una Toscana che intende accettare la sfida di ridefinire il proprio ruolo oltre i confini nazionali.*'⁵⁵⁵.

Thus, beyond exporting an image of successful economic development, "Tuscany's model of development" becomes an important benchmark for the policy, by which the regional administration links the normative consensus underpinning Tuscany's model of economic development to the values underpinning decentralized aid for development. That is, "Tuscany's development model" becomes a normative choice in the context of an increasingly globalised economy, which opposes a liberal market economy to Tuscany's integrated model of local development.

As an informant from the regional administration states: '*L'internazionalizzazione può avvenire in modo selvaggio, oppure con una sponda che da sicurezza ed equilibrio, per cui riconosco e accetto che il mio vantaggio consiste nel trasferire alcune attività nei paesi con cui costruisco partenariati, operando così delle trasformazioni nel cuore delle attività che svolgo nei Paesi avanzati da cui provengo. Non bisogna andare a bruciare territori e a costruire aziende selvagge che inquinano e deturpano il territorio. Di conseguenza anche io posso beneficiare e imparare qualcosa dall'internazionalizzazione. Abbiamo cercato di dare equilibrio, una convinzione politica ideale, ma anche degli obiettivi che dessero un equilibrio e una risposta diversa rispetto al liberismo selvaggio.*'⁵⁵⁶.

⁵⁵⁵ See *piano regionale 2003* (op. cit.) p. 43.

⁵⁵⁶ Interview with Vannino Chiti conducted by Ilaria Bugetti on the 17th April 2003

Furthermore, the incorporation of Tuscany's development model as an asset of Tuscany's decentralized aid policies has to be interpreted within the broader framework of the dialogue established between the regional administration and social movements on the challenges posed by globalisation. This issue has become a priority of the regional political agenda since the arrival of Claudio Martini to the regional presidency⁵⁵⁷.

According to one interviewee from the regional administration: *'Bisogna mantenere il dialogo con i movimenti che sono portatori di esigenze, affinché si riesca a fare qualcosa di concreto per cogliere quelle che sono le opportunità della globalizzazione [...]Questo riassume Porto Alegre, S.Rossore, l'European social forum, ecc.'*⁵⁵⁸.

The regional administration has shown a special sensitivity towards the problems stemming from globalisation, thus exporting Tuscany's development model is represented by the regional administration, as part of an overall strategy of responding to the problems posed by globalisation.

After the disaster of the demonstration against the G8 summit held in Genova in 2001, the success of the European Social Forum of Florence in November 2002 showed that movements could be integrated in the political scenario in a different manner, putting Martini at the political centre of a broader debate between the center-left and Berlusconi.

Political visibility forced the regional government to undertake a political agenda, which implied, not only the integration of social movements in the political scenario of the region but also acting on global problems such as the protection of environment or the respect of human rights.

The political discourse underpinning decentralized aid for development seems to be very much bounded within the elements presented in previous paragraphs. That is, the regional administration conception on the normative value of Tuscany's development model within the debates of international economic development and the perils derived from globalization lies at the heart of the normative values surrounding practices of decentralized aid in Tuscany.

⁵⁵⁷ See Emidio Diodato and Ilaria Bugetti: *'La presenza internazionale della Regione Toscana (1970-2003)'* (op. cit.) pp. 254-255

⁵⁵⁸ See interview with Paolo Giannarelli conducted by Ilaria Bugetti on the 3rd of April 2003.

Decentralized aid in Tuscany is perceived by regional elites, as the expression of the values of concertation and a broad ideological consensus on the way of integrating politics and the development of the economy, by which the Tuscan development model, would represent both an exportable model and a normative choice in a context that emphasizes decentralization of production and mobility of capital.

Yet, as we will show in the next section there is a different way of conceiving the link between decentralized aid and Tuscany's economic model. Decentralized aid has been also placed at the centre of the debates on the problems of internationalisation of the regional productive tissue. As a result, decentralized aid schemes seem to be an important instrument in the politics of internationalisation of the regional economy.

Decentralized aid and the internationalisation of Tuscany's economy

Exporting Tuscany's model of economic development is also perceived as an important instrument to promote the internationalisation of the entrepreneurial sector in Tuscany. As an interviewee from the regional administration has described it: *'La Regione Toscana ha cercato di unificare le spinte. Da una parte c'era una spinta di visione politica. Bisogna costruire uno sviluppo che sia sostenibile, che continui per le generazioni che verranno. Contemporaneamente a queste visioni politiche, bisognava dare una sponda all' internazionalizzazione del mondo economico della toscana, perché questa è un esigenza, l'alternativa sarebbe il crollo dell'attività produttive in alcune realtà più avanzate.'*⁵⁵⁹

Since 2003, the Agency for the economic promotion of Tuscany (APET) has issued an annual plan of economic promotion activities, which determines the main goals and instruments for the internationalisation of Tuscany's economy. The plans for the years 2003, 2004 and 2005 include a section devoted to the interaction of the promotion of Tuscany's export sector and decentralized aid schemes.

⁵⁵⁹ Interview with Vannino Chiti conducted by Ilaria Bugetti on the 17th April 2003. Unfortunately the lack of data on the partners of Tuscany's decentralized co-operation does not allow us to further explore this hypothesis, beyond the level of political will.

In the words of an observer of Tuscany's international activities, *'la regione mostra un approccio all'internazionalizzazione economica integrato con la cooperazione allo sviluppo e alle attività internazionali.'*⁵⁶⁰.

The plan for the year 2003 makes this point clear when it states: *'l'obiettivo è quello di attivare progetti in grado di sviluppare rapporti economici con aree di futura integrazione o assorbimento nell'ottica dell'Unione Europea come i Balcani, l'area Medisud e L'Europa Centro Orientale, quindi promuovere, sviluppare o rafforzare ed organizzare razionalmente la collaborazione industriale/economica e l'integrazione progressiva fra paesi di aree diverse.'*⁵⁶¹.

Thus, the regional government seeks to integrate decentralized aid activities with actively seeking markets for the region's productive sector. As stated in the plan for 2004, the primary goals of linking economic promotion and international co-operation activities are to put in place a number of projects aimed at strengthening Tuscany's economic relations with specific areas and to open new markets for Tuscany's products (if these activities are accompanied by the institutional projection activities of the regional presidency)⁵⁶². According to the plan, the main areas of interest for developing these kind of projects are the Balkans, the southern bank of the Mediterranean and Latin America.

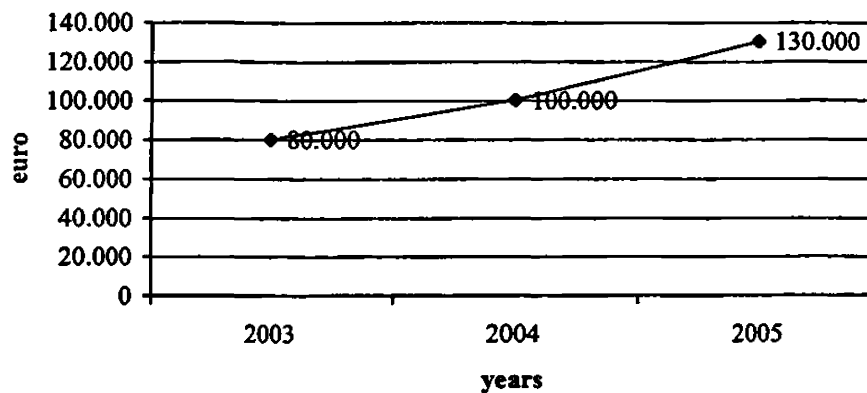
In the last three years the resources allocated to projects of economic co-operation has increased from 80.000 euro in 2003 to 130.000 in 2005. This represents around 7,5% of the annual total regional expenditure in international co-operation programs.

⁵⁶⁰ Raffaella Colletti 2003: *'Partenariati territoriali per lo sviluppo economico locale: l'esperienza delle regioni italiane'* Paper presented at the *Conferenza Internazionale Semestre della Presidenza Italiana dell'UE: Il Partenariato Interreg-ionale Nella Politica di Prossimità: Il Mediterraneo ed i Balcani*. Ancona, 17 - 18 Ottobre 2003 pp. 12-13. <http://www.cespi.it/Ancona/Paper4.PDF>

⁵⁶¹ Regione Toscana, Dipartimento di Sviluppo Economico 2002: *'Programma delle attività di promozione economica per le risorse dell'agricoltura, dell'artigianato, della PMI industriale, e del turismo anno 2003'* p. 24.

⁵⁶² See Regione Toscana, Direzione Generale dello Sviluppo Economico 2003: *'Programma delle attività di promozione economica per le risorse dell'agricoltura, dell'artigianato, della PMI industriale, e del turismo anno 2004'* p. 20.

Figure 35: Resources allocated for economic co-operation programs 2003-2005



Once again, limits on the amount of information available regarding these initiatives does not permit us to evaluate the real impact of these programs on the overall definition of Tuscany's decentralized aid.

As result of the economic crisis affecting the region, both 'the internationalisation of the economy' and 'enhancing the competitiveness of the regional productive sector' are increasingly becoming mantras in the economic discussions of regional politicians and the media.

In Martini's political program for the 2005-2010 term, the problem of internationalising the economy is situated first among the three major pillars of the political priorities for the next term.

The program recognizes that an efficient international promotion of the competitiveness of the productive sector bypasses the engagement of regional institutions in both promotion and lobbying activities in different international fora: *'Di fronte alle sfide della globalizzazione ed all'impatto dei prodotti asiatici sui nostri mercati [...] ci vuole ben altro. La sfida oggi si gioca sulla qualità e sulla sostenibilità sociale ed ambientale non certo sull'ipotesi di tirare su barriere doganali. In concreto ciò significa: a) difendere con forza ed intelligenza le nostre produzioni sui mercati mondiali, prima di tutto attraverso un impegno che chiederemo alle istituzioni dell'Unione europea per una piattaforma che interessi tutti i distretti toscani e per promuovere una politica più rigorosa sul piano delle*

*regole commerciali e della responsabilità sociale, da condividere tra tutti i Paesi partecipanti all'Organizzazione mondiale del commercio. In questa prospettiva ci faremo protagonisti di specifiche iniziative nella sede europea di Bruxelles, insieme al Governo italiano e agli imprenditori toscani.; b) sostenere con impegno e perseveranza la proiezione internazionale delle imprese toscane nel mondo e, ad un tempo, l'aumento del flusso di investimenti nel territorio della nostra regione.'*⁵⁶³.

Thus, the region foresees concentrating important resources in the promotion and the internationalisation of the Tuscan economy. Yet, it is not clear how internationalisation of the economy will affect the implementation of decentralized aid for development policies in Tuscany. The regional government is concerned with the need to enhance the instruments at hand for accessing new markets. Whether this would imply a broader engagement of the productive sector in decentralized co-operation activities, and if so, how will it affect the structure of Tuscany's decentralized aid programs cannot be predicted yet.

Beyond the limits of concertation? Decentralized, the political program of the regional government and the conflicting nature of Tuscany's development model as an asset.

Tuscany's development model has been defined as an asset for regional policies of decentralized aid. First, it is the source of a broader normative legitimacy for the policy since it is supposed to bring the broad normative consensus supporting Tuscany's economic development model into the realm of decentralized aid. Second, through the rhetoric of exporting the model of economic development, the region has linked the development of decentralized aid policies to the dialogue between institutions and the social movements contesting the nature and effects of globalisation. Third, exporting Tuscany's development model through decentralized aid has been connected to the practices of internationalization of the regional productive sector.

The attempt to link decentralized aid for development policies with the development of an overarching strategy of promoting local development in the context of globalisation seems

⁵⁶³ See Regione Toscana: *'Toscana 2010: programma di governo per la VIII legislatura'* pp. 17-18.

to be an interesting way of bridging the existing gap between a number of elements in the region's political agenda. Yet, it is not clear whether, in a context of broader policy institutionalization the region would be able to manage the complex agenda sketched above.

An informant from the regional administration has suggested that the saliency gained by Martini in the overall Italian political context as a result of his approach to social movements could pose some problems, particularly when it comes to the implementation of a political agenda which increasingly includes major global overtones: *'[...] il Forum che tutti gli anni si svolge a S.Rossore. Vi è un intento, una voglia di impostazione di misurarsi come governo regionale con i grande mutamenti che stanno accadendo nella nostra era, sono mutamenti di carattere economico, sociale, ambientale, e di far si dunque che l'azione di governo si traduca in un' azione efficace e concreta in questa direzione'*⁵⁶⁴.

As we said before, after the disaster of the demonstration against the G8 summit held in Genova in 2001, the success of the European Social Forum of Florence in November 2002 showed that movements could be integrated in the political scenario in a different manner, putting Martini at the political centre of a broader debate between the center-left and Berlusconi. Political visibility forced the regional government to undertake a political agenda, which implied, not only the integration of social movements in the political scenario of the region but also acting on global problems such as the protection of environment or the respect of human rights.

Decentralized aid schemes, combined with the adequate promotion of local development, might be an interesting but nevertheless limited instrument to address some of these issues, precisely because of the limited amount of financial autonomy enjoyed by Tuscany's regional administration. As a result a major problem of credibility arises, primarily vis-à-vis social movements, but it could also reach the level of local constituencies⁵⁶⁵.

It should be noted that the strategy undertaken by the regional administration, linking the Tuscan model of economic development and the internationalization of the productive

⁵⁶⁴ See interview with Andrea Barducci. Conducted by Ilaria Bugetti on the 4th April 2003

⁵⁶⁵ It is worth noting that in the last regional elections, part of Martini's electoral campaign emphasized the region's links with social movements and the regional programs of international co-operation. See Claudio Martini 2005: 'I nostri prossimi cinque anni' p. 10

http://presidente.regione.toscana.it/img/db_file/10544_prossimi5anni.pdf

sector to the debates on the perils of globalisation and decentralized aid, has succeeded in a context of low policy institutionalization and scarcity of resources.

The evolution of the relationship with the social movements is very much dependent on the figure of Martini as a regional president. What is more, as we have already seen, the scarcity of resources available pushed NGOs to diversify their sources, thus gaining autonomy vis-à-vis the regional administration, whereas it has pushed the region to integrative forms of policy implementation, where social actors play a relevant role.

Nevertheless, Tuscany's decentralized aid for development policy relies on the participation of NGOs as a source of legitimacy. What is more, the link between NGOs and decentralized aid has been stretched as to include also social movements and the debate on the perils of globalisation. The link between the world of NGOs working on development co-operation and realm of movements operationalised through the incorporation of the Tuscan economic development model, and the ideological consensus underpinning it, into the decentralized aid policy schemes.

At the same time, Tuscany's decentralized aid schemes are increasingly perceived as a resource in the fight against the crisis of the regional economy and the promotion of the internationalisation of the regional economic sector. Once more, the ideological underpinnings of Tuscany's economic development model facilitate the integration of the productive sector in decentralized aid for development strategies.

In the context of further policy institutionalization, a plausible increment of regional funds directed to decentralized aid, and an ever increasing incorporation of an agenda of promoting regional economic interests into the decentralized aid system, it is very plausible that the equilibrium between these elements would be substantially altered, leading to major problems in integrating the different layers of Tuscany's development model as an asset.

III.3 Tuscany's decentralized aid after 1999

Previous sections have shed light on the major changes brought about by the L.R. 17/99 and the *piano regionale 2001-2005*. The breadth of the changes introduced covers many

different aspects. Firstly, the way of conceiving the role of the region in the realm of development assistance and in the general realm of international relations has changed. A systemic image of the region has been put forward. The region is depicted as a territorial system in which a myriad of institutional and non-institutional actors interact. Interactions are regulated by the principles of subsidiarity and partnership, thus conceding great relevance to sub-regional tiers of government and civil society, whereas the region would act as a catalyst for energies present in the territory. This manner of conceiving the role of the region is linked in the documents analysed, as well as in the minds of many informants, to a specific understanding of Tuscany as a territory.

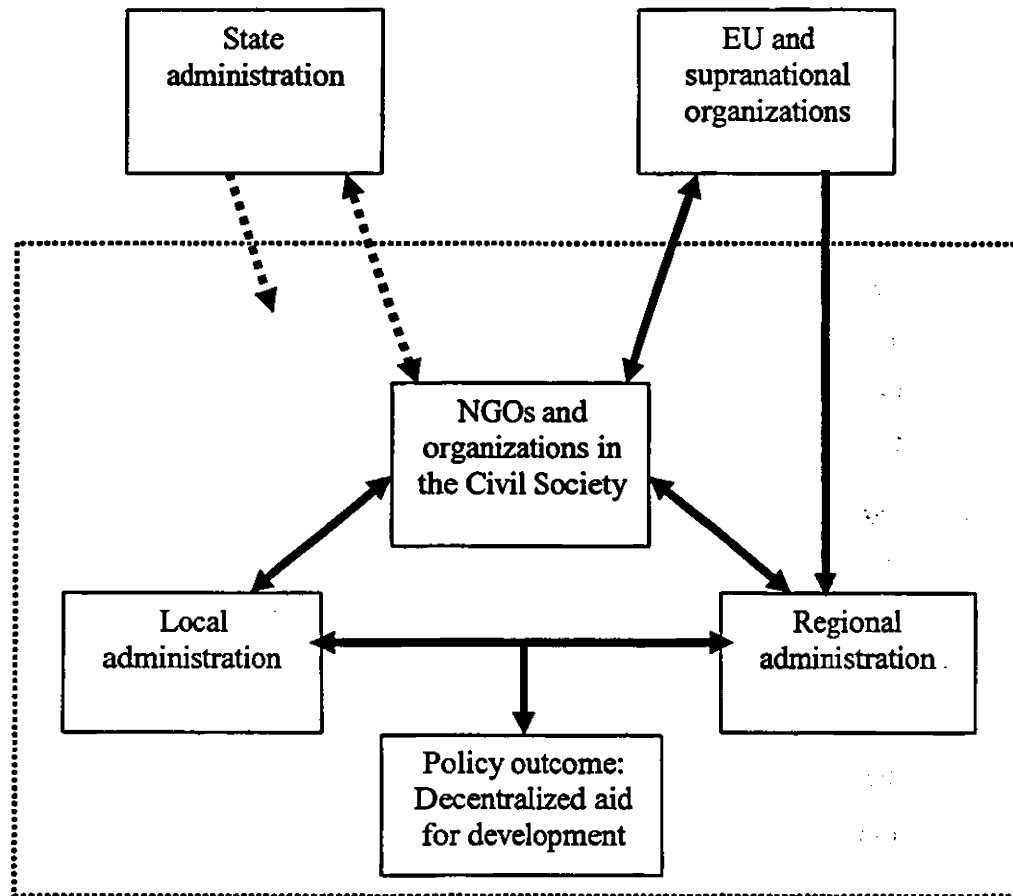
Secondly, we have analysed the changes introduced at the level of the administrative structure in charge of designing and implementing decentralized aid schemes in Tuscany. Since 1995 Tuscany's regional administration had established an administrative structure, which main task was to develop Tuscany's foreign projection, mainly oriented to the European Union.

The L.R. 17/99 has introduced a new system of fora in which actors in the territory, either institutional or not, can participate. The *tavoli di coordinamento* fulfil important evaluation and programming functions and are in charge of establishing the priorities for each geographical area in which Tuscany develops decentralized aid projects. The *tavoli di coordinamento* are sought to integrate actors in the territory both in the decision making process and in the implementation phase. Yet, as informants from NGOs have pointed out, the internal logic of the *tavoli di coordinamento* might turn them into a piece in the overall context of political exchanges between local and regional political elites. The political weight of local elites, which preside over most of the *tavoli*, may relegate local NGOs to a secondary role in these decisional fora.

Thirdly, we have analysed the *piano regionale 2001-2005*. Through this document the regional administration, in collaboration with the *tavoli di coordinamento*, establishes a categorization of the activities covered by the decentralized aid program, as well as setting the policy's main geographical and material priorities. The analysis of geographical and material priorities helped us to uncover the extent to which the regional program of decentralized aid is dependent on the input of other actors, both institutional and not.

Tuscany's decentralized aid after 1999 is heavily dependent on the input of both European Union programs and NGOs, whereas the Italian State has lost both its control capacities and its ability to influence regional decisions. The interactions between different agents of Tuscany's decentralized aid are represented in the following figure.

Figure 36: Tuscany's decentralized aid after 1999



The figure above represents Tuscany's decentralized aid as the result of the interactions of a number of actors. The image is subdivided in two major areas. The first one is determined by the dotted box and represents the territorial system constituted by all the actors operating within the Tuscan territory. The second one is composed of the two small boxes representing the EU and international organizations and the State administration, which are exogenous to the territorial system. The State administration is conceived as having a weak impact on the territorial system. As we have seen before, the collapse of Italian aid opened the way for regions and NGOs to develop their own programs, whereas the crisis of the

Italian political system in the nineties altered the rules of territorial politics in Italy, leading to a political context of uncertainty. Finally, the double-headed arrow connecting the State to NGOs represents the interrelations between these two agents. In the nineties the crisis of the State's international aid program pushed NGOs to look for alternative economic sources. As a result NGOs learnt to diversify their sources weakening their link with the State.

Conversely, the EU (and other international organizations such as UN) has had an important input in the definition of decentralized aid policies in Tuscany: firstly, NGOs participate in European co-operation schemes; secondly, the EU is an important source of funds for regional decentralized aid initiatives. As we have tried to show through the analysis of aid allocation, the EU's decentralized aid schemes has had an important impact on the region's capacity to develop its own agenda as a region in the Mediterranean area. The region has found it somewhat difficult to encompass the Mediterranean agenda with the priorities of European development policy derived from the necessities of eastward enlargement. Thirdly, the European Union remains an important normative point of reference in the definition of Tuscany's foreign aid. This point is illustrated in a number of documents in which the regional administration presents the idea of becoming a central actor in the process of constructing a Euro-Mediterranean partnership.

Within the territorial system, the regional administration has established a triangular relationship in which associations and local institutions participate. Local institutions and NGOs have a long standing tradition of co-operation in the international development realm, which is at the roots of the establishment of the first decentralized co-operation programs in Tuscany. This pattern of relations has been enriched, following reform in 1999, by a distinct set of relations between NGOs, local governments and the regional administration. On the one hand, the region has been able to create strong ties with local institutions. Local authorities preside over most of the *tavoli di coordinamento*, and according to the *regional plan* they should catalyse the synergies in the territory becoming important subjects in the establishment of partnership and co-operation schemes.

On the other hand, the interactions between NGOs and the regional administration seem to be more complex. As we have seen, NGOs have structured their own agenda of

international co-operation regardless of the preferences defined at the regional level. This agenda is not structured along a single co-ordinator of NGOs as it might be the case in the Basque country, but it mirrors a long tradition of co-operation activities with areas in Latin America and Africa, which are not by far part of Tuscany's decentralized aid priority areas. Yet, as the analysis of the geographical distribution of funds has shown, NGOs managed to keep these areas high up on the agenda, despite the regional plan's recognition of the scarce interests of the regional administration in those areas.

Nevertheless, as an informant puts it, the increasing bureaucratisation of the system might be changing this situation. The diminishing role of NGOs in the *tavoli di coordinamento* could be a sign of a major change in the orientation of decentralized aid in Tuscany. As we have noted before, Tuscany's administration has been able to integrate local institutions in the decision-making system, relegating NGOs to a secondary role.

Tuscany's decentralized aid after reform in 1999 presents a complicated pattern of interrelation among actors, which has not led yet to the constitution of a multilevel system of governance. Decentralized aid in Tuscany seems to be trapped between a highly developed political agenda of internationalisation and a scarcity of material resources, which determines dependency on a number of actors and therefore forces the region to comply with normative agendas that were not part of the initial design.

As we have seen in previous sections, Tuscany has embarked on a process of internationalisation, which involves three major dimensions. First, there is an important European dimension. Second, there is an economic dimension, related to the process of internationalising the productive sector in Tuscany. As discussed in previous sections, Tuscany's economic development model is perceived as an asset for decentralized aid policies. Through decentralized aid, the region has tried to combine the needs of the productive sector derived from the increasing internationalisation of the economy with regional concerns regarding the major perils of globalisation and the role of the Tuscan model of economic development as an asset in the establishment of decentralized co-operation interventions. Finally, the region has wrapped up this agenda of internationalisation by constructing an overarching image of Tuscany as a polity, in which

the elements previously mentioned interact with a specific perception of Tuscany's political history.

IV. Concluding remarks: decentralized aid in Tuscany 1990-2005 - a long political detour, but where do we go?

This chapter has tried to show the evolution of decentralized aid policies in Tuscany from 1990 to the present day. As stated in earlier sections, the task is not easy because of the lack of appropriate data and literature, not only concerning decentralized aid policies in Tuscany, but more generally on the international projection of this and other Italian regions.

Nevertheless, the depiction presented here shows a clear evolution from the initial steps in which the region was constrained both from below and from above, to the present situation in which the region has been able to design its own agenda of internationalisation.

The following sections try to summarize this long political detour focusing on three main aspects: first, the structure of actors' interactions around the constitution of a decentralized aid system in Tuscany; second, the evolution of the political discourse underpinning decentralized aid schemes; and third, the interaction between political discourse and practice in the implementation of decentralized aid.

IV.1 The changing nature of the opportunity structure: the State, the EU, the regional government and the local NGOs

As we have seen throughout this chapter, the nature of the actors involved in these interactions has changed. Two periods can be identified, the first being the period 1990-1998. In this period the region has had to face strict controls from the State, civil society and local institutions. As we have seen the region was unable to establish clear-cut priorities besides those it imported from the State, nor it was able to overcome the development agenda put forward by the NGOs.

The situation progressively changed by the end of this period, mostly due to major changes in the State's position. The State experienced a major legitimacy crisis that also affected the international aid realm. As a result, bilateral aid programs almost disappeared, and the State felt the necessity to look differently at decentralized aid for development policies within the context of a major process of restructuring the international aid system. According to many commentators and international institutions, decentralized aid for development has since gained saliency in Italy's aid plans.

At the same time, the crisis of the Italian State placed the NGOs in a difficult position since one of their main sources of funds drastically dried up. NGOs felt the necessity to look for new partners. On the one hand, these partners were found in international arenas, in organizations such as the EU and UN. On the other hand, NGOs started to consider the regional level more seriously.

Finally, the crisis of the Italian State left much more space for the regions to decide the fate of their decentralized aid programs, while it curtailed one of the most important sources of funding. The regional administration, which had gained a certain degree of fiscal autonomy in the last years, had to seek new partners to co-finance decentralized aid initiatives. As we have seen, in the case of Tuscany the EU and also the UN were extremely relevant for these purposes.

These trends crystallised in the second period (1999-2005). During this period the State would substantially lose its presence, becoming a residual actor, whereas the European Union began to play an increasingly relevant role. The NGOs had lost some of their supremacy in the agenda-setting process, but they retained control of input legitimacy. As a result, while the region was able to operate more autonomously than in the previous period, it still had to respond to pressures both from the European level and from civil society.

IV.2 A new way of seeing things: regional discourse and decentralized aid for development.

Since 1990, the regional administration has changed the way in which it has perceived decentralized aid for development policies. As we have seen, these changes ranged from a not clearly identifiable discourse in the early nineties to a fully-fledged set of propositions, principles, norms and ideas developed in the documents corresponding to the period 1999-2003.

The regional administration has built this discourse both upon a new conceptualisation of the role of territories in the globalised world and upon a new way of conceptualising co-operation, which is understood fundamentally as a mutually beneficial activity. These new co-ordinates have led to a system of norms rooted in the principles of subsidiarity and partnership.

The documents analysed use a number of elements that help to establish a recognisable political profile. Firstly, they place the role of local institutions and civil society organizations at the centre. This is done mainly through incorporating the regional discourse of concepts such as subsidiarity, partnership and decentralization. These concepts, most of them being related to the practices of public administration, are bestowed with a strong normative load, which can be identified with a broader idea of good government.

Secondly, the regional administration introduces a material conceptualisation of international co-operation which goes beyond the idea of economic assistance. The model of development put forward by the region tends to combine concerns with the exportation of a successful production model based on small and medium sized enterprises with promotion of the institutional conditions for development.

Finally, the regional administration has been inclined to approach specific international institutions at the level of political discourse. As we have seen, the regional administration tends to incorporate goals and objectives from institutions such as the EU into its own international aid policy. A major concern is expressed concerning the role that the region might play in relations between the EU and neighbouring countries. The regional administration situates its aid efforts in a dual relation to the process of European integration. Tuscany's decentralized aid policy would be the visitor's card of Europe in these countries, helping to establish contacts between LDCs and European institutions, while the region would simultaneously operate to voice needs of these countries in front of the European institutions.

IV.3 *Una regione scatenata o un personaggio alla ricerca di autore?* Discourse and political practice.

Despite the apparently successful profile put forward by the regional administration throughout the documentation analysed, a gap between the aims and the achievements can be perceived. Analysis of the implementation of geographical priorities or the day to day politics of the *tavoli di coordinamento* shows that the regional administration has not been

able to fully develop its political program. Thus, the range and the scope of the changes introduced in 1999 remain in some respects a mystery.

Furthermore, the overall picture is one in which a large gap between the grand design of the regional plan and the spending decisions seems to exist. The regional administration is forced to find difficult political compromises in order to push its own political agenda of internationalization. Thus, whereas the rhetoric of the plan describes an ideal situation in which Tuscany's foreign projection corresponds with clear priorities, the reality of its actual implementation shows how decisions tend to be incremental and the result of complicated bargaining processes.

Tuscany's administration is still constrained on two fronts. The first is its relation with co-funding institutions such as the EU. Here the gap between the aims and the achievements shows how the intended dual relation with the EU has not been achieved. The regional administration has tried to incorporate the EU's geographical guidelines. However, it has to comply with long standing traditions of co-operation which do not necessarily regard these areas as a priority. These traditions of co-operation in the territory constrain the capacity of the region to embrace the EU's co-operation policy priorities, and force the region to muddle through the preferences of one of its main co-funding institutions and the civil society organizations with a long standing tradition of co-operation. The result is a complex pattern of funding assignments and distribution among different geographical areas.

Second, the region still has to rely on NGOs, not only as implementation partners, but as a source of legitimacy for the policy. The analysis of the *tavoli di coordinamento* shows how the region, despite its efforts to limit the role of NGOs in the decision making process, is still restricted by the idea of a participatory system, in which legitimacy greatly depends on the degree of participation of civil society associations.

The conditions of NGO participation in the decision making phase, if more limited than in 1990, still permit NGOs to control certain key resources. As some informants have pointed out, NGOs still enjoy a position of certain predominance, derived from their relative economic autonomy. Since the regional administration has not been able to mobilize the necessary amount of resources to create a pattern of dependency among institutions and

actors in civil society, it is forced to constantly negotiate with NGOs in exchange for their support.

Thus, even if the region has enlarged its maneuvering capacities, it has had to constantly compromise between the front lines determined by the funding institutions' priorities and the necessary participation of NGOs. This exercise is not always easy, and normally results in a certain abandonment of regional self-declared policy priorities. This undermines the region's capacity to put forward an autonomous institutional profile in the policy area.

What is more, as we have seen before, the strategy undertaken by the regional administration, linking the Tuscan model of economic development and the internationalization of the productive sector to debates on globalisation and decentralized aid has succeeded, at the level of political discourse, as a result of the context of both low policy institutionalization and scarcity of resources. In the context of further policy institutionalization, a plausible increment of regional funds for decentralized aid, and an ever increasing incorporation of an agenda of promoting regional economic interests into the decentralized aid system, it is very plausible that the equilibrium between elements of the regional agenda of economic development would be substantially altered.

The lack of important empirical evidence (mostly data sets), which we have noted in previous pages has to be interpreted within the overall rift between discourse and practice along which the politics of decentralized aid seem to be structured. The description of the politics of decentralized aid in Tuscany moves back and forth from discourse to evidence. I believe this is not only a major problem for this dissertation, but a reflection of the state of affairs in Tuscany's decentralized aid since the approval of the L.R. 17/1999.

Tuscany's decentralized aid has experienced notorious changes in the last six years: a broad re-conceptualization of what decentralized aid means has been undertaken; an administrative structure has been created to deal with foreign aid; planning documents have been issued and priorities had been established. All these are novelties vis-à-vis the functioning of Tuscany's foreign aid in the early nineties.

Nevertheless, this process has taken place in an overall context of political reform by which the region is trying to build up a new political profile within the turmoil of institutional reform in Italy. As I have discussed in earlier sections the process of institutional reform

sought to federalize Italy, yet, it is far from clear whether the appropriate steps have been undertaken to ensure the functioning of a meso-tier of government in Italy. In the meantime regions operate in a context of political and institutional uncertainty that affect severely their capacity to implement their political programs. My contention here is that uncertainty reflects in the way decentralized aid is structured in Tuscany.

The result is that aspirational politics as represented in the words of many informants and the documents analyzed, clash with a political reality in which incremental decision-making marks the day to day functioning of the institutions dealing with decentralized aid and foreign projection of the region in a context of uncertainty.

Nevertheless, it should be noted that despite the mediocre results of *piano regionale*, the system of decentralized aid in Tuscany after reforms in 1999 present a major difference vis-à-vis the original design of Tuscany's decentralized aid in 1990. Whereas, the position of the regional administration within the overall structure of foreign aid provision remains uncertain, it is clear that both the L.R 17/99 and the *piano regionale* respond to a similar logic which could not be found in earlier pieces of legislation. That is, the regional administration through the L.R.17/99 has reinforced the link between the internationalization of the region and the process of region-building. This process is the result of a new way of conceiving the role of the region as a polity beyond the limits traditionally imposed by the politics of *partitocrazia*.

Tuscany's decentralized aid is still *a personaggio alla ricerca di autore*. The situation is one in which the region is still looking for a set of markers upon which to construct an identifiable profile. This attempt is confronted by the limits imposed by a lack of resources, which forces the region to bargain with different actors. Yet, the region has tried to convert the need for concertation in markers of the policy, rather than interpreting it as a constraint. It is too early to judge whether the regional administration has succeeded or not in this effort. The increasing institutionalization of the regional tier in Italian politics, and future reforms which foresee the furthering of regional powers, might affect Tuscany's capacity to develop its political program and the nature of decentralized aid programs.

**PART IV: COMPARING DECENTRALIZED AID POLICIES IN THE BASQUE COUNTRY
AND TUSCANY. REASSESSING A REGION'S MOTIVATIONS TO ENGAGE IN
DECENTRALIZED AID POLICIES**

PART IV: COMPARING DECENTRALIZED AID POLICIES IN THE BASQUE COUNTRY AND TUSCANY. REASSESSING A REGION'S MOTIVATIONS TO ENGAGE IN DECENTRALIZED AID POLICIES

I. Introduction

In this part development aid policies in Tuscany and the Basque Country are reassessed in a comparative fashion. The main intention is to put together all the relevant elements to come up with a discrete set of explanatory factors that can account for the origins of regional engagement in decentralized aid policies. This part is structured as follows. Firstly, a brief summary of the main features of decentralized aid policies both in the Basque Country and in Tuscany is presented.

The second chapter tries to go a step further beyond the most evident differences between our cases. In this section I will try to show how, despite the major differences between Tuscany and the Basque Country, the origins of decentralized aid in both regions respond to a common set of factors. Firstly, the capacity of NGOs to translate rather abstract considerations on human development into an issue of regional politics is an important element for both our cases. Secondly, the existence in both cases of a context of institutional uncertainty created a window of opportunity that was seized by regional administrations in both Tuscany and the Basque Country. Thirdly, in both regions domestic political agendas perceived the internationalization of the region as *conditio sine qua non* for furthering the scope of regional political autonomy. As a result both regions had incorporated the constitution of a decentralized aid system into the broader process of regional building by linking decentralized aid policies to the specific notion of the region as political space.

The third chapter presents a reassessment of the decentralized aid puzzle in light of the major outcomes of the comparative analysis. As I will try to show in this section, the decentralized aid puzzle can be understood only by linking the constitution of decentralized aid programs to specific issues of the agenda of region-building.

II. A brief summary of the main findings presented so far

In Part II and Part III we have discussed the international co-operation policies of two European regions i.e. Tuscany and the Basque Country. This section aims to provide a re-assessment of the most relevant features of these two cases as a means of settling the basis for further comparative analysis.

II.1 Decentralized aid as a policy outcome in the Basque Country and Tuscany: two different paths towards the establishment of international co-operation policies

The analysis of the evolution of decentralized aid policies in Tuscany and the Basque Country illustrates the constitution of two different systems of international co-operation. The story of Basque decentralized aid is one of progressive centralization of decisional capacities in the hands of the regional administration, while implementation is entrusted to NGOs. The analysis of the Tuscan case, meanwhile, shows how actors in the territory can be integrated in the decisional phase as well as in implementation.

As we have seen the distinct paths of evolution respond to the different games played by regional actors. In the case of the Basque Country the region was faced almost exclusively with NGOs and local institutions, while in the case of Tuscany, the regional government had to deal, and still does, not only with the *forces vives* in the territory but also with a restrictive state framework and the preferences of supranational institutions. As a result the Basque government has had a greater margin of manoeuvre, while Tuscany, at a very early stage, had to muddle through the political demands of a number of agents and institutions.

These differences in patterns of interaction, as well as in the number of actors involved in defining the policy, result in major differences in the way aid systems are managed. In this respect, it can be said that the Basque country has created a rather hierarchical system in which the Basque administration would control decisional capacities while the agents in charge of the implementation phase had very little say in setting policy priorities. Nevertheless, this situation could be changing with the new governing coalition in office. For instance, it can be said that NGOs are having an input in the procedure to adopt a new regional law on international co-operation. Yet, since the political outcome is still

uncertain, it is not clear whether NGOs or localities would enhance their capacities within the new system.

On the contrary, the situation in Tuscany is one in which concertation among interests rather than a policy option is a real need for the regional administration. Tuscany's international co-operation system must be (*per forza*) open to other actors' participation at any individual stage of the policy. As a consequence, the regional administration plays a co-ordinating rather than a directive role. As we have already seen in the chapter devoted to Tuscany, the institutionalization of concertation tables in which both NGOs and local authorities participate would reflect the non-hierarchical character of Tuscany's aid system.

II.2 Decentralized aid and political discourse: two different ways of explaining what the institutions are doing

Previous parts showed how both regions, the Basque Country and Tuscany, operated in a different manner when explaining the regional administration's engagement in international aid policies.

As previously stated, the Basque Country concentrated its political discourse on relationships with emigrant communities and the continuity throughout history of the relations between different areas of the world and the Basque Country and a re-interpretation of institutional responses to the political demands of NGOs in the late eighties, which are perceived as the pinnacle of democratic relations between institutions and civil society.

This triad of elements creates a complex pattern of argumentation in which a historicist argument is combined with a new understanding of the divide between the domestic and the external realm of politics. The connection between NGOs' demand and external projection would account for this fact. Moreover, the fact that many documents refer to domestic reasons for international projection, such as the relationship with NGOs or the internationalization of the Basque economy, would reinforce the argument that the Basque administration perceived international projection through decentralized aid as a means of responding to the newly-coined necessities of the region.

Tuscany proceeds from a completely different basis for establishing a case for international aid for development. As we have seen in the previous chapter, Tuscany's discourse starts from a re-interpretation of the notion of region itself. The regional administration asserts the value of territoriality, de-coupling the international activities of the region from the traditional conception of inter-governmental relations. Thus, the idea would be that partnership and co-operation might be the expression of inter-territorial relations which emerge spontaneously out of a globalised world. The role of the regional administration is one of coordinating territorial initiatives rather than issuing policy directives.

This broader conception of inter-territorial relations, which is operationalised through the ideas of partnership and co-operation, is put in the context of the geopolitical role that Tuscany aims at playing in a globalised world. According to what we have seen in the documents analyzed, Tuscany aims at playing an intermediation role between the EU and the countries in a number of geographical areas. In this respect, Tuscany represents a history of success in the constitution of a social model of economic development, in line with the best tradition of European values of democracy, social integration and participation. At the same time, due to its specific location in the Mediterranean, Tuscany can play the role of the *portaparola* of the countries in the south bank of the Mediterranean and the Middle East vis-à-vis the EU.

Tuscany's administration discourse aims to entangle different political dimensions. Firstly, a case is made on the relevance of inter-territorial relations within a global political space that tends to be more and more fluctuating and fluid. Secondly, the region confirms a vocation towards Europe and the process of supranational integration as a major political claim, reinterpreting this process in the Mediterranean geo-political context in which the region seeks to play a central role.

II.3 Summary of findings

Up to this point we have discussed the different paths undertaken by Tuscany and the Basque Country when defining decentralized co-operation schemes. The differences mentioned above are summarized in the following table.

Table 13: Decentralized aid in the Basque Country and Tuscany compared

	<i>Mode of governance</i>	<i>Discursive markers</i>
<i>The Basque Country</i>	Hierarchical system.	Internationalization of the region Relationship between institutions and social movements Continuity of historical relations with other areas of the world specially Latin America
<i>Tuscany</i>	Horizontal integration and co-ordination	Region as a territory in the scenario of globalization Institutions as co-ordinator of grassroots initiatives Tuscany's role in the Mediterranean

The following chapter reassesses these two different paths in a comparative fashion to come up with a set of the distinct elements that configure a shared logic of action for both cases. As discussed later, both cases share three major elements. Firstly, NGOs have mobilized at the local level translating the agenda of international development into a territorial key, thus triggering the regional administration's interest in these issues. Secondly, this process takes place in a context of uncertainty and reform, especially regarding the nature of centre-periphery relations in the cases analyzed. Thirdly, both cases show how the constitution of decentralized aid policies is intimately related to the broader project of region-building.

III. On the conditions for regional engagement in decentralized aid for development policies

In the former section we have summarised the main conclusions of the two case studies, focusing mainly on the differences between them. This section aims to explain what the two processes discussed above have in common. That is, the main scope of this section is to argue that despite the differences observed, both regions responded to a similar political rationale.

In a nutshell, it can be said that both regions attached extraordinary symbolic value to decentralized aid for development policies to change an eminently assistentialist policy into a marker for the regional political profile. This symbolic dimension corresponded with specific dimensions of the region-building projects in every single case. Thus, region's engagement in decentralized aid for development policies is the result of the extension of the region-building process to include the creation of a specific international profile.

Yet, this process is not by any means evident or automatic. It is the result of complex processes of interaction of different elements. This section aims at identifying the conditions for this process to occur and how can we explain the region's international profile as an aid donor as a consequence of the form of the domestic political agenda.

III.1 Decentralized aid and social demand

As we have seen in the previous chapters, the existence of a more or less explicit demand on the part of regional constituencies on issues related to international co-operation seems to be an important factor.

Empirical evidence shows how, in both cases, there is a new perception of the problems of underdevelopment. The way in which this was expressed takes very different shapes. Social demand articulated mostly by NGOs managed in both cases to change constituencies' perception of underdevelopment. The specific strategies used in each single territory are less important than the fact that organisations, both in Tuscany and the Basque country, managed to put forward a political agenda in which the problem of underdevelopment was a central issue for regional politics.

The capacity of NGOs to change the perception of underdevelopment is the result of a number of elements related to their capacity to articulate a political discourse in which the sense of reciprocity plays a major role.

This is very important for both the cases we have looked at. For example, in Tuscany, NGOs created a change in the perception of underdevelopment by linking it to immigration. In this way NGOs could easily approach local tiers of government preoccupied with the integration of immigrants in local communities and encourage them to develop a proactive profile vis-à-vis the causes of immigration from underdeveloped areas⁵⁶⁶.

The very success of NGOs in introducing the development agenda at the regional level therefore relies on the fact that they managed to translate the debate on the causes of underdevelopment to the specific territorial contexts in which they were operating. Through different strategies, civil society organisations managed to introduce the debate on underdevelopment in a territorial stance that has traditionally remained outside the realm of international aid for development.

From the late seventies onwards, private organizations such as NGOs began to have a say in international fora. The integration of NGOs in international politics led to major changes in the form and content of the international debate on underdevelopment. Yet, the strategy of the NGOs has been one of gaining access to the institutional levels where this debate take place while keeping strong roots in civil society. This double-edged strategy allowed them to link rather abstract considerations to the daily life of many citizens. In the cases we are looking at, NGOs in both Tuscany and the Basque Country managed to operate this link on a territorial basis. They link the debate on underdevelopment to particular cognitive frames operating in a specific territorial context. This process of territorializing discourse is relevant since it would be key in allowing regional political institutions to further bring decentralized aid into the political agenda.

In the Basque Country, NGOs played an important role in the constitution of an international aid system. NGOs managed to build up a moral case very much rooted in two major political traditions: firstly, internationalist Christian solidarity inspired by the work

⁵⁶⁶ See: pp. 259-260

of Basque missionaries and religious associations operating in the Basque Country since the sixties, and secondly, left-wing internationalist movements⁵⁶⁷.

NGOs managed to establish a complex political discourse. This discourse began by asserting that one of the major questions surrounding the problem of underdevelopment is the very invisibility of underdeveloped areas. NGOs aimed to resolve this problem through changing development issues into a societal question rather than an institutional one⁵⁶⁸.

According to the NGOs, national and supranational institutions in the north, in dealing with the problem of underdevelopment, had attended only to their own interests, thus perpetuating the uneven distribution of economic resources among the peoples of the world. That is the reason why a major change was needed. As we have already seen, this major change took the form a broad moral compromise that would bind both society and institutions at any single tier of government⁵⁶⁹.

NGOs made a rather instrumental use of a rhetoric of decentralising international co-operation. Yet Basque NGOs, through campaigning in 1985 and 1989, managed to turn international co-operation into an important issue of the regional political agenda. As stated in previous chapters, the nature of the moral compromise sought by NGOs and, moreover, the modes of mobilization were determinant in the process of raising the consciousness of Basque society⁵⁷⁰.

Firstly, the strong presence of religious and lay organizations ensured that the transmission of the political discourse would reach all levels of Basque society. NGOs managed, mostly through personal contacts, to attract the attention of regional politicians⁵⁷¹. At the same time, they tried to mobilize society through different means, such as parish activities, signature campaigns, seminars and demonstrations.

Secondly, NGOs managed to consolidate a unique political discourse. Already by 1989 they settled the Co-ordinator of NGOs, which from then on has acted as the voice of NGOs vis-à-vis regional institutions. The constitution of the Co-ordinator of NGOs represents an

⁵⁶⁷ See: pp. 143-148

⁵⁶⁸ See: pp. 148-150

⁵⁶⁹ See: pp. 155-158

⁵⁷⁰ *Idem.*

⁵⁷¹ See: F.N. 292 p. 158.

important step forward since it helped to consolidate a syncretic position in which different sensitivities could find a place.

The process of territorialization of the question of underdevelopment in the Basque Country took place thanks to the active campaigning of locally based NGOs. Most of the issues addressed by NGO discourse were simply translated from the international debate on underdevelopment. Yet, the extraordinary capacity of NGOs to mobilize resources at the level of civil society turned international development aid into a pressing issue on the Basque political agenda.

The analysis of social mobilization in Tuscany shows how NGOs took a different strategy in the process of consolidating social demand at the territorial level. As we have already seen, NGOs co-operated with local governments in specific programs directed at facilitating the integration of immigrant communities present in the territory⁵⁷².

These activities soon stretched far beyond the regional borders. NGOs managed to convince local authorities that an integral policy towards immigration had to include a proactive profile on the causes of emigration. NGOs thus linked both underdevelopment and emigration to build a case for the participation of localities in international co-operation schemes.

At the same time, a long standing tradition of NGO activity already existed in the territory. NGOs in Tuscany were used to co-operating with different institutional tiers, such as the State or supranational institutions. Therefore, when it was the time to convince sub-state tiers of government, NGOs enjoyed a predominant position⁵⁷³.

This position of predominance has been recognized by the regional authorities in the early phases of the process of constituting a system of international co-operation at the regional level. As we have already seen, NGOs enjoyed great capacities in the decision making process as well as being the most important actors in the implementation phase. What is more, pre-existing co-operation schemes affected the nature of NGOs' mobilization. Co-operation at the local level had situated organizations much closer to institutions than

⁵⁷² See: pp. 259-260

⁵⁷³ See: pp. 260-262

Basque associations were at the beginning of the negotiation⁵⁷⁴. Thus, NGOs in Tuscany did not need to have recourse to social mobilization since they enjoyed easy access to institutional tiers.

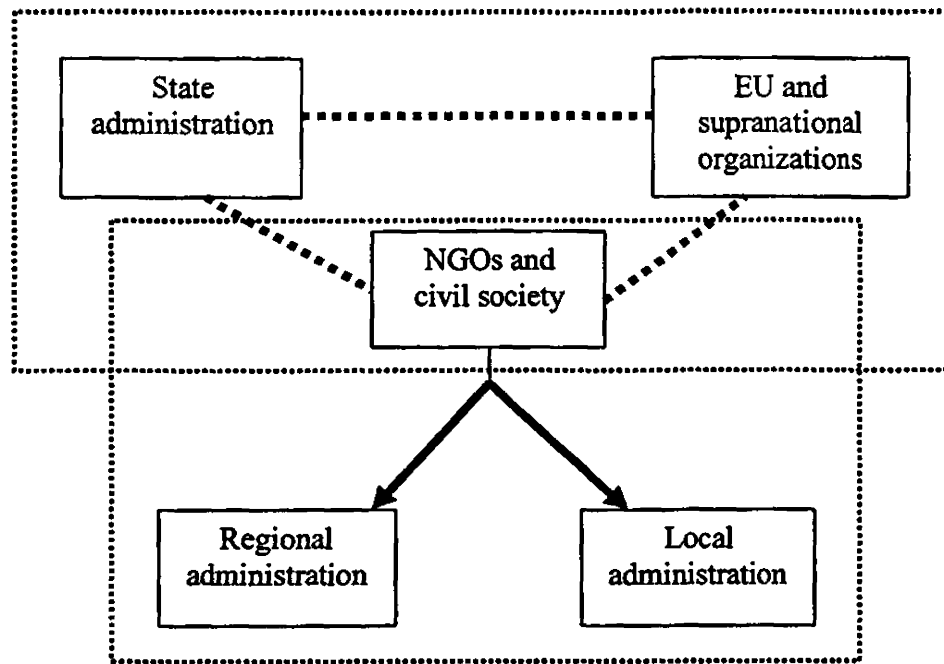
Therefore, the case of Tuscany shows how NGOs paid attention to the needs of targeted institutions when establishing a case for international co-operation. The capacity of NGOs to link the problems of immigrant integration with the issue of underdevelopment is a striking demonstration of the ability of NGOs to touch the sensitive keys of sub-state institutions.

Territorialization of social demand operates mostly at the institutional level. NGOs managed to build a case for international aid that benefited from local institutions' anxieties rather than imposing a moral vision on international development. Yet, the effects on institutions are rather similar since, as we have seen, it allowed regional institutions to gain a political arena to further develop their political program.

Demand structuring is an important factor determining regional engagement in foreign aid policies. As we have seen, a process of territorialization of NGOs' demands can be observed in both cases analysed. Without these processes neither the Basque Country nor the Tuscan administration would have ever engaged in international aid policies in the late-eighties. At a more general level the process of demand structure can be presented as follows:

⁵⁷⁴ *Idem*

Figure 37: Demand structuring



The process of demand structuring is the result of the interaction of NGOs with different institutional tiers: firstly, the State administration; secondly, the European Union and other supranational organizations such as the U.N. Therefore, the representation of the process of demand structuring places NGOs at the centre of a triangular relation in which the national administration and supranational organizations are involved. This triangular relation constitutes a multilayered political arena where the case for decentralized aid is built-up. This arena is represented by the dotted box surrounding the triangle formed by the boxes NGOs, State administration and EU and supranational organizations.

Yet, NGOs also operate on a territorial basis. This is represented by a second dotted box including regional administrations, local administrations and NGOs. As we have seen in both our cases, NGOs are rooted in the territory and develop an important part of their activities at the local and regional level. In the case of decentralized aid for development, NGOs are able to structure demands vis-à-vis regional institutions precisely because they are able to translate the process of demand structuring into territorial terms.

The process of demand structuring, as it emerges from the cases analyzed, is one of multilayered bargaining in which NGOs play a dominant role. Learning from the experience of dealing with national administrations and supranational agencies, NGOs are able to make a territorial case for decentralized aid which targets institutions in a particular territory. NGOs catalyze the normative debates on the practice of international co-operation, which take place at the international level, introducing them in the realm of territorial politics. Thus, NGOs operate as a nodal institution between the realm of territorial politics, where mobilization takes place, and a multilayered political arena, which includes national and supranational institutions, where both the morals and the practice of international co-operation are constructed.

Finally, it should be noted that mobilization at the territorial level is a function of diverse functional needs and a feature of NGOs as organizations. As we have seen, in some cases, such as the case of Italian NGOs, there is a problem of diversification of the sources of funding. In a context of crisis and change of the international development realm at the national level, many NGOs have opted for targeting diverse institutions and organizations. As a result NGOs co-operate both with supranational organizations and sub-state tiers of government in different development co-operation schemes⁵⁷⁵.

In other cases, NGOs target sub-state tiers of government as a part of an overall strategy of political bargaining with the national administration. As shown in the Basque case, NGOs reacted to the negative results of previous bargaining processes at the national level by targeting different institutional tiers. In their own words, the involvement of a regional administration in international co-operation policies could be an example for other institutional tiers⁵⁷⁶.

Finally, there is an important normative dimension to NGO mobilization. As we have seen in both cases, NGOs operating at the regional level engaged in a process of territorialization of the agenda of international development. NGOs established a discourse in which international development was somehow linked to the politics of the territory.

⁵⁷⁵ See: pp. 275-281

⁵⁷⁶ See: pp. 155-158

III.2 A context of uncertainty: centre-periphery relations, the limits of political autonomy and the constitution of decentralized aid policies

In both cases, decentralized aid for development policies begun in a specific institutional context, that is in the framework of a broader process of decentralization of political power. The argument could be summed up as follows: the structure of centre-periphery relations, both in the realm of overseas aid and regarding the vertical distribution of power and the limits of regional autonomy, might favour a region's capacity to design innovative instruments for the extension of political autonomy.

In the Basque case the impact of the process of construction of the *Estado de las Autonomías* is evident. As previously stated, the eighties and the nineties witnessed the first attempt at consolidating a quasi-federal system of distribution of political power. This process has conceded increasing visibility to sub-state tiers of government, which engaged in a process of enlarging the scope of regional political autonomy. This process has been particularly relevant in the Basque Country, which obtained the highest level of political autonomy since the early phases of constitution of the *Estado Autnómico*⁵⁷⁷.

Nevertheless, the relationship between central administration and sub-state units (especially those with the highest level of political autonomy) has not been easy. The articulation of sub-state units in the framework of Spanish politics has been a difficult process. Sub-state units tried to expand the range of their functions and capacities, whereas the State tried to impose limits upon regional political autonomy. The unclear limits established in the Spanish constitution, together with the lack of articulation of institutional devices for regional representation at the centre, has favoured dynamics of individual confrontation between the central administration and the *Comunidades Autónomas* in which the Constitutional Court has been called to arbitrate in the situation.

In this political context of uncertainty, we have discussed how the regional government decided to expand the international dimension of its increasing political autonomy. At a certain point the domestic construction of the polity required an external projection of this process of regional construction. Decentralized aid became an interesting instrument to pursue a policy of foreign projection, without questioning the limits of the State's exclusive

⁵⁷⁷ See: pp. 163-166

capacities in the realm of foreign policy, in a political context in which the very notion of foreign policy was under discussion.

The case of Tuscany shows a somewhat similar process. As pointed out before, a broad process of political decentralization has taken place in Italy since the mid-nineties. The process found its origins in a major questioning of the form of the Italian republic, which collapsed after the corruption scandals at the beginning of the nineties⁵⁷⁸.

Reforms in the late nineties provided ordinary statute regions with greater capacities and political and fiscal autonomy. The direct election of the regional president and the increasing capacities of regional tiers of government resulted in a major visibility of the regions as an institutional tier, forcing regional politicians to rethink the role of regional institutions and the very nature of the region as a political arena.

Similar to the Spanish case, the process of decentralization led to a questioning of the limits of regional political autonomy vis-à-vis the central administration, and more specifically, the limits of the State's exclusive capacities to act in the international sphere. As we have seen before, the d.P.R of 31st of March 1994 offered a new legal framework for the development of the region's foreign activities. The decree is the result of a progressive change in the way in which the Italian territorial model had been working since the eighties onward, evolving from a 'separate spheres of power' model to the so called 'marbled cake model', by which the spheres of activity of different tiers of government were systematically entrenched, rather than separated. Two major changes were introduced: firstly, the so-called 'procedural benevolence', by which the controls established in previous legislation were substantially reduced; secondly, the establishment of areas for 'regions' self-responsibility', which opened up greater space for inter-institutional co-operation in the foreign policy realm⁵⁷⁹.

Nevertheless, as we have said in Part I, the interactions between regions and the State are not only reduced to the vertical distribution of political power. As we have seen in earlier parts of this dissertation, the national system of international aid established important

⁵⁷⁸ See: pp. 266-275

⁵⁷⁹ See: p. 270

contextual elements that might facilitate regions' engagement in decentralized aid policies⁵⁸⁰.

In the two cases analyzed, regions' engagement in decentralized aid for development policies took place in the midst of an overall process of redefining the international aid system. In the case of the Basque Country, the national system of decentralized aid was at the earliest phases of its constitution. After the transition to democracy, the Spanish government had, mainly since 1982, found itself in the midst of a total reconstruction of the system of foreign relations. The process was conducted along three major lines: firstly, accession to the European Communities; secondly, Spanish status in NATO; and thirdly, the enhancement of relations with third countries in America and the Mediterranean. In this context, the normalization of Spanish foreign aid policy became a priority. Yet, the Spanish foreign aid system was constructed very much in line with a state-centred view of international relations, thus not permitting the participation of sub-state units or even civil society organizations⁵⁸¹.

Questioning the way the system was managed lay at the roots of NGOs' mobilizations in the eighties which sought, in the constitution of decentralized aid schemes, an example of the way in which the interactions between institutions and organizations could lead to a fairer system of international co-operation⁵⁸². Decentralized aid policies in the Basque Country have been marked since then by an autonomous development regarding the evolution of the State's foreign aid policy, which has neither had any kind of impact on the development of Basque decentralized aid policies, nor has the integration of the Basque aid system in the overall structure of Spanish foreign aid been foreseen.

Tuscany's engagement in decentralized aid for development took place in the context of a crisis of the Italian international aid system, which facilitated regions' engagement in decentralized co-operation schemes⁵⁸³. Yet, the conditions in which Tuscany's decentralized aid operates in the context of Italy's foreign aid are slightly different.

⁵⁸⁰ See: pp. 108-110

⁵⁸¹ See: pp. 143-148

⁵⁸² See: pp. 157-158

⁵⁸³ See: pp. 275-281

As we have seen, prior to the nineties there was a general increase in the amount of funds available to aid programs, which since the 1990's have decreased rapidly. Cuts in the amount of funds destined to aid programs were the result of a fiscal crisis of the Italian State and important corruption scandals that affected the public image of Italian aid⁵⁸⁴.

The lack of funds at the national level caused NGOs to diversify their resources. NGOs tried to involve sub-state tiers of government in co-operation issues, whereas they try to benefit from the structure of international co-operation programs established by international organizations or the European Union⁵⁸⁵.

The rapid growth of decentralized aid programs in Italy, together with the crisis of legitimacy undergone by Italian aid programs, forced the Ministry of Foreign Affairs to develop a more inclusive strategy. On the one hand, Italian aid has concentrated in the last years in participating in multilateral aid schemes, rather than on the provision of bilateral aid. On the other hand, the Ministry of Foreign Affairs, in a recent document, has perceived decentralized aid schemes as a specific marker of Italian foreign assistance, thus trying to integrate decentralized aid within the framework of Italian aid policy⁵⁸⁶.

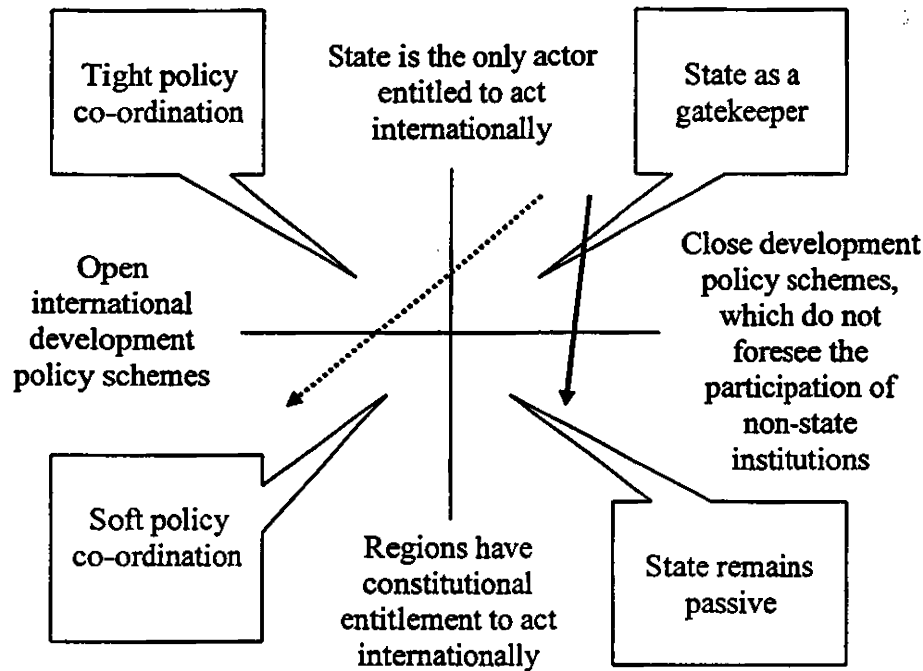
In Part I, we presented the figure below to discuss the impact of centre-periphery relations. The figure tried to explain the State's capacity to control key resources that might affect the constitution of decentralized aid systems. These resources were the access of regions to the international sphere and the possibility of participating in international co-operation activities. The interaction of these two forms of access determined four regions of centre-periphery relations and therefore four different roles for the State. Yet empirical evidence presented in previous parts shows how the role of the State and the structure of centre-periphery relations cannot be taken as a static element, but changes over time.

⁵⁸⁴ *Idem.*

⁵⁸⁵ *Idem.*

⁵⁸⁶ See: pp. 279-281

Figure 38: State's resources and strategies



As illustrated the figure above, both Italy and Spain had evolved from a position in which both states acted as a gate-keeper towards more flexible positions. In the Italian case (represented by a dotted line arrow), soft- policy coordination schemes take place, whereas in the Spanish case (represented by a normal arrow), the State has remained passive vis-à-vis the development of decentralized aid systems. Furthermore, the figure above determines three major regions in which decentralized aid for development schemes might take place, whereas the north-east corner would be the only space where decentralized aid for development schemes cannot take place.

It has to be noted that the evolution of both our cases towards the southern regions of the graphic determined changes in the rules of the game that altered the context in which political bargaining took place, creating a context of political uncertainty. This favored the capacity of regions to develop innovative policy instruments such as decentralized aid schemes. Yet, it is important to note that this process is by no means automatic.

Further interpretation of the pay-offs of engaging in decentralized aid, in a context in which the limits of political autonomy are uncertain, is needed. Both regions we examine structured decentralized aid within the broader framework of processes of region-building

and the necessities derived from the changing nature of regional political autonomy. The next section explores these issues.

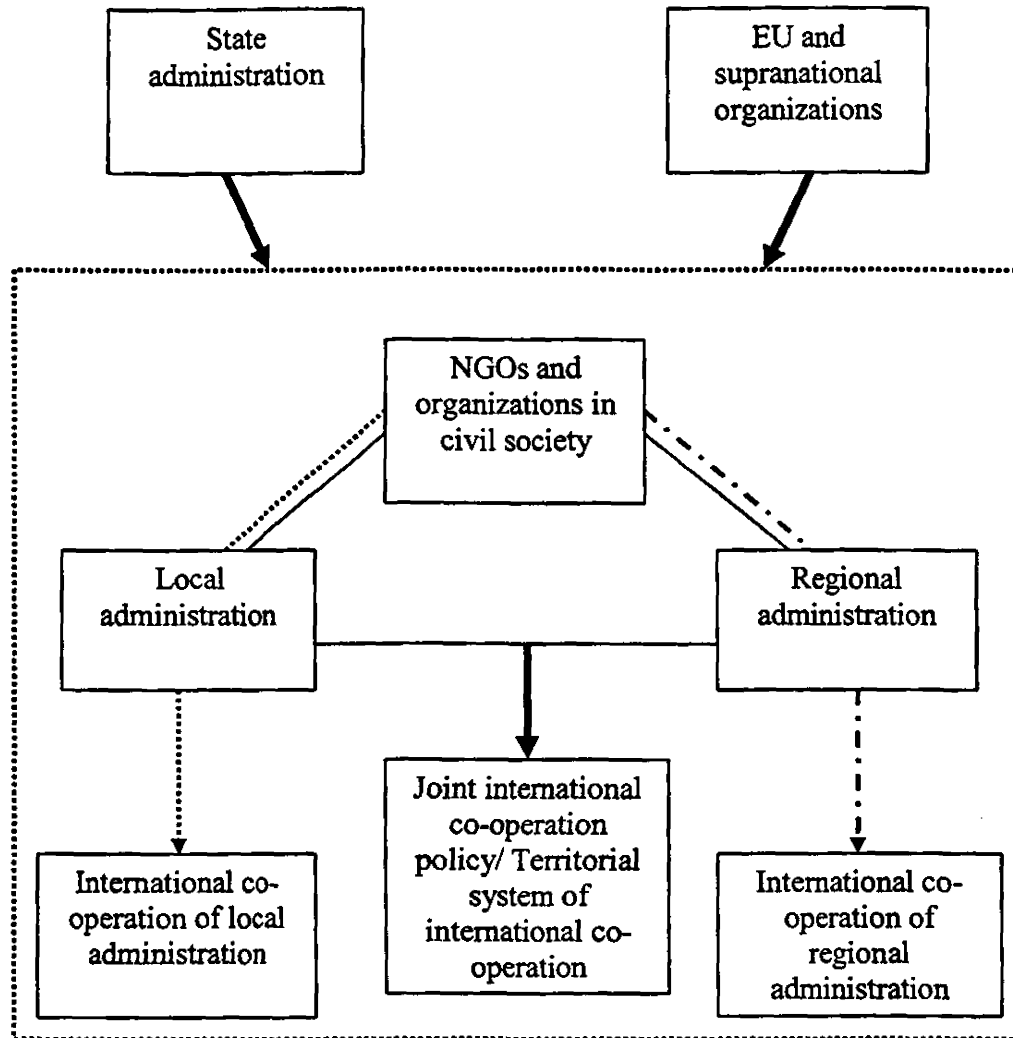
III.3 The politics of decentralized aid and region-building

The process of defining decentralized aid schemes can be defined as one of transposition or cross-fertilization among political realms. Ideally, regions' engagement in decentralized aid for development should be governed by considerations about the uneven distribution of resources and the role of sub-state units in the fight against poverty. Yet, as we have seen in both cases, regions' engagement in decentralized aid has gone far beyond the limits of the incorporation of the international debate on underdevelopment into the regional political sphere.

The figure below represents the process of supply structuring. Two major spheres can be distinguished. The first sphere includes actors, such as the State administration and the European Union and other supranational organizations. In the figure above these actors have an impact upon the regional domestic framework where the policy takes place. As we have said in previous sections, the State controls specific policy resources that might affect the constitution of decentralized aid programs, such as the vertical distribution of power and the structure of its international co-operation programs. The European Union and other international organizations put forward international development initiatives where regions might or might not participate. Finally, as we have seen during the analysis of the impact of NGO mobilization and the process of demand structuring, national and supra-national institutions have a direct impact on the strategies of NGOs.

The second sphere is constituted by the domestic political sphere. Decentralized aid, in both the cases analyzed, seems to be very much the result of the interaction of a set of domestic logics. As we have seen, in both cases decentralized aid for development schemes is determined by the interactions of the constellation of actors operating at the territorial level. As well as regional institutions, this includes local institutions and NGOs operating in the territory.

Figure 39: Supply structuring



Decentralized aid seems to be very much confined within the logic of inter-institutional relations. NGOs' mobilization targeted not only regional institutions, but also sub-regional tiers of government. The process of supply structure, in both the cases analyzed, reflected the nature of inter-institutional relations within the limits of the region. In Tuscany the agenda of institution-building shaped both the structure and the modalities of the region's engagement in foreign aid policies

Furthermore, the constitution of decentralized aid programs in both cases seems to be very much defined by the relationship between social movements (particularly NGOs) and the regional administration. The accommodation of NGOs' demands, and the integration of

NGOs in the decision-making process and the policy implementation phase, was a major issue determining the structure of a region's decentralized aid programs in Tuscany and the Basque Country.

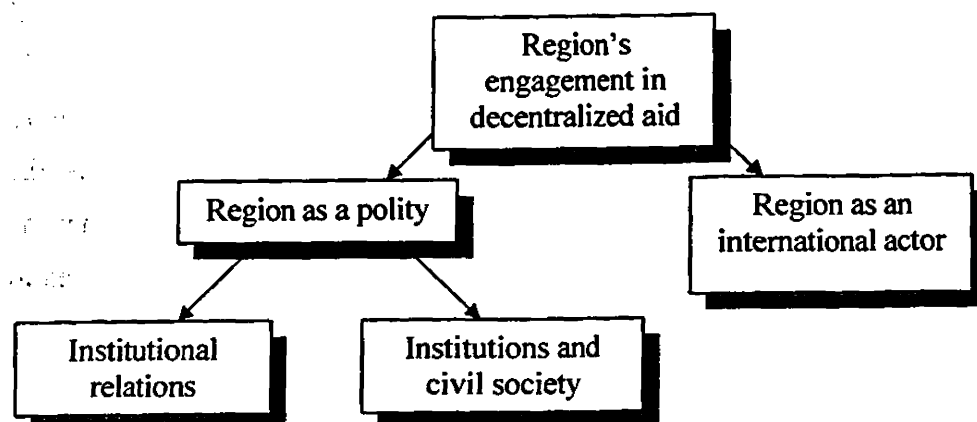
Therefore, the agenda of the process of constitution of decentralized aid policies is very much structured along issues which are heavily related to the agenda of region-building. The Basque Country and Tuscany have been able to structure the constitution of decentralized aid for development policies along a broader process of construction of the region as a political space.

Firstly, both regions have put forward a specific understanding of the region as an international actor linking the construction of a space for regional autonomy to its projection abroad. Yet, the connection between foreign projection and region-building operates at a deeper level than that of the mere international projection of the region. Foreign policy, in our case decentralized aid for development policies, seems to be an important marker in the broader process of constructing the region as a political space.

Secondly, both regions have constructed decentralized aid policies along a specific understanding of the region as a polity, which is first determined by a specific understanding of the structure of inter-institutional relations; and second, by a characterization of the relations between institutions and the civil society.

Following sections will explore the link between the politics of the construction of the region as a political space and the politics of decentralized aid for development. This process can be summarized in the following figure:

Figure 40: Decentralized aid and the politics of region-building



III.3.1 Decentralized aid and the region as an international political actor

In both cases, regional engagement on decentralized aid policies has coincided with an overall process of restructuring the role of NGOs in the international arena. Firstly, changes brought by globalisation and European integration have led to a process of functional internationalisation of the regions. Yet, parallel to that process, regions had developed a proper foreign policy profile. The development of a foreign policy profile at the regional level is very much dependant on the changing nature of regional political autonomy. In both our cases, the regional administration had understood since the early nineties that the preservation of regional autonomy implies not only a pro-active political strategy within the limits of the nation-state, but also the development of an active role at both the European and the international level. Both cases show how the development of decentralized aid policy schemes is heavily dependent on the development of a foreign policy agenda.

In the case of the Basque Country, the changing nature of the agenda of internationalisation of the region has had a tremendous impact on the configuration of decentralized aid policies. For many years the foreign project of the Basque administration has been structured by relations with Latin America and the history of exchanges between the region and this area of the world.

In the eighties, the Latin American connection represented a meeting point among a number of sensitivities which were extremely relevant in defining decentralized aid schemes. Relations with the Basque *Diaspora* in Latin America were a high priority in the political agenda of the newly-coined regional institutions. Basque *Diaspora* recalled in the mindset of Basque nationalism a history of the lost freedoms and exile in which Francoist repression of the symbols and institutions of the Basque nation was but the last stage of a long process of repressing the liberties and the cultural features of the Basque people⁵⁸⁷.

For the first nationalist governments in the Basque Country it was extremely important to link both the institutional and the communitarian dimensions of the *Diaspora*. Thus, the process of constructing the Basque polity had to include not only those living within the boundaries of the Basque Country, but also those who had been historically compelled to abandon the country.

⁵⁸⁷ See: pp. 180-190

However, later governments, as a result of changes in the structure of governing coalitions, watered down the sacred nature of the *Diaspora* as the repository of the history and the legitimacy of Basque institutions. In the period 1988-1989, references to the *Diaspora* in legal documents highlight the exchanges between the Basque country and the territories with which the Basque Country has developed links throughout history⁵⁸⁸.

Latin America was the *locus* for the development of a broad set of activities on the part of Basque NGOs and other associations in civil society. The social dimension of the Latin American connection traces its roots to a long tradition of Basque missionaries' activities as well as through the recent links established by Basque civil society organizations with specific underdeveloped areas. Firstly, religious orders and associations had maintained traditionally strong ties with specific areas in Latin America, where they developed their missionary activities. Secondly, the seventies had witnessed a surge of left-wing movements concerned with the political situation in Latin America. Revolutions in the sixties and seventies triggered a great deal of support and mobilization in the Basque Country, since political activists from the left movements perceived the Latin American experience as an example of the plausibility of the political program of the radical left⁵⁸⁹.

As a result, Basque decentralized aid, which in this phase was heavily controlled by NGOs, concentrated most its activities in this area.

From 1990 onwards, the Basque administration began to develop an intense agenda of foreign projection⁵⁹⁰. The internationalisation of the region included three main dimensions. First and foremost, the Basque government emphasised the process of internationalisation of the Basque economy. This included promoting foreign investment in the region, but also promoting Basque enterprises abroad. The regional government developed a strategic plan for the promotion of Basque foreign trade. This plan included the utilisation of all the foreign policy instruments at hand in order to encourage the projection of the Basque entrepreneurial sector abroad, including participation in international aid schemes.

⁵⁸⁸ See: pp. 190-193

⁵⁸⁹ *Idem*

⁵⁹⁰ See: pp. 199-202

The second dimension recognized the relevance of the process of European integration, which was perceived as an opportunity for enhancing self-government, but also as a space for uncertainty.

Thirdly, the agenda of internationalisation included a reassessment of the role of the Diaspora. The Diaspora was not perceived as a passive source of legitimacy, but was defined as an active agent in the process of cultural, institutional and economic projection of the region, deepening the tendency to de-consecrate the role of the Diaspora in Basque politics. The internationalization of Basque economy benefited largely from this new role of the *Diaspora* and Latin America turned into the most important area in terms of economic exchanges for the Basque export sector.

The new agenda was accompanied by an intense process of institutionalisation of Basque foreign policy. In 1990, the Basque government created the Secretariat of Foreign Affairs to centralize the increasing international and European projection of the Basque government. Yet, as we have seen in previous chapters, the Secretariat of Foreign Affairs, which initially was oriented towards the implementation of the European agenda of the Basque government, soon included international co-operation policy and relations with the Diaspora, integrating them, as we have already seen, in a unified system of foreign policy⁵⁹¹.

Nevertheless, the position of decentralized aid within the system of international relations of the Basque Country has changed in the last five years. The emergence of a new political agenda in the Basque Nationalist Party, exemplified in the *Ibarretxe plan* of a new political status for the Basque Country within the Spanish State and the EU, has changed the priorities of Basque foreign policy⁵⁹².

The distinction between the *ad intra* and *ad extra* projection of self-government was reassessed in order to concentrate on the political impact of the process of European integration, and the defence of the autonomous space for decision-making. Full development of the Autonomy Statute and the promotion of Basque identity were identified as the most important instruments to counteract the perils of globalisation, an

⁵⁹¹ See: pp. 203-209

⁵⁹² See: pp. 227-230

internationalised economy and integration in a broader European Union. Europe is increasingly considered as a limit to regional self-government, rather than a structure of opportunity⁵⁹³.

This protective foreign agenda has been pushed to its limits since 2001. The combination of a domestic debate on the accommodation of the Basque Country within the Spanish constitution with the debate on the Constitutional Treaty for the European Union has pushed the Basque government to be more active in Europe in defence of greater recognition for the regional tier and the defence of regional self-government. Furthermore, the Basque Government has developed an intensive political campaign in favour of reforming the Basque Autonomy Statute.

Changes in Basque politics have relegated Basque international co-operation to a secondary role in the context of the international activities of the Basque Country. From 2001 onwards, International co-operation has been controlled by the regional ministry for Housing and Social Policy, instead of the Foreign Affairs secretariat, which controls the rest of Basque foreign policy. As we have previously noted, since 2001 Basque international co-operation seems to live beyond the margins of political conflict in the Basque Country. Yet, the de-politicization of aid also results in the regional administration losing interest in the fate of Basque international co-operation, which might lead to a process of policy stagnation⁵⁹⁴.

In the case of Tuscany, decentralized aid served the specific political agenda of internationalising the region. Since 1994 Tuscany has developed an ever increasing agenda of European affairs. This agenda materialized in the establishment in 1995 of an office for international projection activities and in 1998 in the establishment of a representatives' office in Brussels. As noted by some commentators, the process of European integration was perceived by the regional administration as an important opportunity for the development of Tuscany⁵⁹⁵.

Decentralized aid offered a new policy field in which to develop a European profile for the region. The relationship between the European agenda and the agenda of decentralized aid

⁵⁹³ See: pp. 229-230

⁵⁹⁴ See: pp. 236 and 237

⁵⁹⁵ See: pp. 273-275

can be structured along three main dimensions. Firstly, the regional administration has tried to define its role in terms of its capacity to co-ordinate the access of organizations and local institutions to the European political arena. The regional administration would channel territorial interests towards supranational institutions and facilitate access to funds and other resources⁵⁹⁶.

Secondly, the regional administration has joined a number of European co-operation initiatives. As we have already seen, the regional administration raises funds from European co-operation schemes, which are later implemented as regional co-operation programs⁵⁹⁷.

Finally, the European connection operates at a symbolic level. On the one hand, the regional administration, in many of the documents analysed, has tried to depict the region as an intermediary actor between the EU and the south bank of the Mediterranean area. The region exports the values of democracy and respect for human rights, as well as an image of a successful European region. In doing so, it also makes a contribution to the process of European integration. Tuscany can offer a story of successful social integration in line with the best tradition of European democratic governance⁵⁹⁸.

On the other hand, the regional administration has tried to act as the representative of the needs of certain geographic areas vis-à-vis European institutions. Tuscany is portrayed as a region especially skilled to understand and promote socio-economic development in the south bank of the Mediterranean Sea, due to a long tradition of intense relationships with countries in this area⁵⁹⁹.

Decentralized aid for development has proved an interesting instrument within the overall strategy of enhancing the region's role at the European level. Yet, as we have noted before, the regional administration's conflation of the European agenda and the decentralized aid agenda has presented some problems. Firstly, as we have seen in the analysis of the distribution of funds, Tuscany has gambled with important elements of the normative agenda presented in previous paragraphs in exchange of European funding. This might

⁵⁹⁶ See: 300-306

⁵⁹⁷ See: p. 317

⁵⁹⁸ See: pp. 318-320

⁵⁹⁹ *Idem*

indicate that for the regional government, European funding is a necessity rather than a policy option⁶⁰⁰.

Secondly, as we have seen in previous chapters, the implementation of decentralized aid for development schemes is very much dependent on the acquiescence of civil society organizations⁶⁰¹. This places the region in a difficult position since it has to grapple with the requisites of European programs and the preferences of organizations in civil society⁶⁰².

III.3.2 Decentralized aid and the politics of constructing the region as a polity

In both cases analyzed, regions' engagement in decentralized aid schemes seems to be very much bounded by the limits of regional politics. What is more, both regions have profited from the opportunity structure opened by NGO mobilization to put forward a distinct image of the region as a polity. As we have said before, this image is constructed along two major dimensions: firstly, the structure of inter-institutional relations; secondly, interactions between institutions and civil society.

III.3.2.1 Inter-institutional relations and the politics of decentralized aid

The first dimension would define the region as an institutional space. Regions are not unitary spaces, but compounded polities. Within the regional space a number of institutions interact, leading to the configuration of distinct institutional arrangements which determine the characteristics of the region as an institutional space. As we have seen, both cases show different ways of dealing with the politics of institution-building within the limits of the region.

Regional institutions in the Basque country had to deal with strong sub-regional tiers of government. The Basque Country is a quasi-federal polity in which equilibria between institutional actors are not easily achieved. What is more, the structure of party politics in the Basque Country and the lack of clear majorities forced the creation of governing coalitions, which in most cases attain uneasy political compromises. The presence of an

⁶⁰⁰ See: pp. 320-322

⁶⁰¹ See: pp. 322-325

⁶⁰² See: pp. 326-329

overarching political force, such as the Basque Nationalist Party has, rather than simplifying the political spectrum, added complexity to the politics of institution-building in the region. This party controls important institutional resources in the Basque Country at the local and provincial levels as well as it has been the dominant party at the regional level.

Yet, within the nationalist front, contending positions on the role of sub-regional institutions and the articulation of inter-institutional relations in the Basque Country had taken shape throughout the whole history of the Basque Nationalist Party. An especially virulent moment of confrontation within the nationalist front on the structure of inter-institutional relations took place in the early eighties, when the *Ley de Territorios Históricos* regulating the capacities of the provincial level was debated and approved⁶⁰³.

Social mobilization in 1985 and 1988 targeted not only the regional level, but also the provincial and the local level. The task of NGOs was to create a general moral compromise which would tie up all the institutional levels in the Basque Country. The result was the multiplication of the number of donors within the limits of the Basque territory. The initial response of institutions was not co-ordinated, rather, every single tier tried to fulfill NGOs' demands as a means of echoing the moral challenge posed by the massive mobilization of the NGOs⁶⁰⁴.

By 1990, three different institutional tiers were allocating resources to decentralized aid schemes. The picture is one of scattered initiatives and un-coordinated efforts, as well as normative insecurity and institutional uncertainty in the realm of decentralized aid. At this point the regional administration decided to create a unique international aid for development system, the FOCAD. Yet, co-ordination was perceived as a threat, since it would mean losing visibility vis-à-vis constituencies. Thus, the debate was established in terms of a trade-off between efficiency and visibility⁶⁰⁵.

The problem of visibility affected Basque institutions in different ways. For local governments the pay-offs of engaging in decentralized aid were too important to sacrifice upon the altar of policy co-ordination and efficiency. At the provincial level the situation

⁶⁰³ See: pp. 163-165

⁶⁰⁴ See: pp. 158-161 and 196-198

⁶⁰⁵ See: pp. 203-206

was rather different. Provinces are an important institutional tier in the Basque Country due to their capacities for collecting taxes, which affords them a great presence in Basque politics. Thus, the pay-offs in terms of political visibility were not as important as at the local level.

The establishment of the FOCAD with the co-operation of provincial authorities shows the extent these considerations were present in the mindset of provincial and local politicians. Yet, the evolution of the FOCAD and the way in which the regional administration has concentrated decisional capacities and resources in its own hands shows how the region was able to extract the most out of the co-ordination of policy efforts in the international aid realm.

The institutionalisation of the FOCAD strengthened the link between the creation of a decentralized aid system and the construction of a strong regional tier of government vis-à-vis the provincial and the local levels. Since the establishment of the FOCAD, the role of the Basque Government and the Foreign Affairs secretariat within the system of decentralized aid for development would be increasingly determinant. As we have seen, the evolution of the administrative structure in charge of managing the FOCAD increasingly concentrated important decisional capacities in the hands of the Secretariat of Foreign Affairs as a means of ensuring the unity of the Basque Country's foreign projection⁶⁰⁶.

Nevertheless, the process of concentrating the international activities of the Basque administration in the hands of the Foreign Affairs Secretariat did not go uncontested. As we have seen, parties in the governing coalition raised strong criticism to the way in which the Basque Nationalist party was using the Secretariat of Foreign Affairs for its own political purposes⁶⁰⁷. The debate was particularly strong between the Basque Nationalist Party and the Socialist Party. What is more, in recent years the *Diputaciones Forales* abandoned the structure of the FOCAD, drawing back economic resources to their own decentralized co-operation programs⁶⁰⁸.

Regional engagement in decentralized aid policies has served a precise agenda of institution-building. This agenda foresees the concentration of important decisional

⁶⁰⁶ See: pp. 206-209

⁶⁰⁷ See: p. 209

⁶⁰⁸ See: p. 236

capacities in the hand of the regional administration vis-à-vis sub-regional tiers of government, which nevertheless still enjoy an important role.

The origins of this agenda are to be found in the process of establishing the *Estado de las Autonomías*, which has incorporated regional institutions into a centralized administrative system. In the particular case of the Basque Country, the existence of a strong tier of provincial administration, which enjoys special political status, made the need for an agenda of institution-building at the regional level even more pressing. This was perceived as an important instrument for legitimating the newly-coined regional institutions.

Ever since 1990, the regional administration has tried to construct a unitary image of the region as an institutional space, which relied on the unity of the Basque foreign projection as an important symbolic resource. Yet, the accommodation of this image into a political reality, one which is extremely fractionalised, has not been an easy process. First, it has been contested from the ranks of Basque Nationalism, or coalition parties, such as the Socialist Party. Second, it has been efficiently counteracted by sub-regional tiers of government, which nevertheless have been able to maintain visibility within the limits of the Basque Country.

Similarly, the constitution of a new regional system of international aid in Tuscany in 1999 echoed a broader process of redefining the way in which the region is understood as a political space. The mid-nineties witnessed a process of decentralization in the Italian political system. The process of administrative decentralization had conceded greater visibility to the regions. Regional politicians had embarked upon broad processes of polity constitution in which regional autonomy is reconfigured to create a proper regional political space beyond the tight framework of Italian politics. Tuscany's administration has emphasized the territorial character of the region leading to a broad process of political integration of the different actors present in the territory.

As we have seen, when Tuscany's regional administration decided to further engage in decentralized aid for development policies, it had to deal with a strong local tier as well as a

number of well established co-operation schemes between sub-regional institutional tiers and social actors⁶⁰⁹.

The changing context of Italian politics from the early nineties onwards and the ongoing process of administrative reform make it very difficult to assess the nature of the region-municipality relations in Italy.

For many years these two tiers of government were conceived to be part of the broader chessboard of the Italian *partitocrazia*. Regions and local governments were necessary elements in the distribution of political power and benefits among constituencies. At the same time, they help the system of elite recruitment. Finally, they served to enhance the political relevance of both Catholic and Communist sub-cultures.

Changes in the pattern of inter-institutional relations and administrative reform has created a vacuum that has not yet not been totally filled. Regional governments seem to be progressively gaining political saliency and visibility, while the local level tries to maintain its traditional relevance. Changes in the role of political parties in Italian politics permit institutions to develop a new political agenda which is much more concentrated on issues of territorial politics than on the system of benefits exchange and redistribution.

In this context, Tuscany's administration has been able to translate practices of co-ordination and the need to integrate a strong local tier of government into a new system of markers for economic, political and social success. The system designed in 1999 legislation is meant to open up the decision-making process to different institutional actors in the territory. The important role played by local tiers of government in the *Tavoli di coordinamento* shows the important commitment of the regional administration to the practices of concertation⁶¹⁰.

Co-ordination and integration of institutional actors in the territory are perceived as good political practices. Regional administration perceives concertation not only as a necessary device in a system overcrowded with many different political actors, but a symbolic marker for the polity. Thus Tuscany's regional administration, by emphasizing the territorial

⁶⁰⁹ See: pp. 259-262

⁶¹⁰ See: pp. 293-300

character of the polity, managed to build up an institutional profile very much focused on the co-ordination of activities in which the local level plays a predominant role⁶¹¹.

III.3.2.2 The accommodation of NGOs and the politics of decentralized aid

The second dimension, along which the image of the region as polity is constructed, is the structure of relationships between regional institutions and social actors. In both cases analysed, NGOs played an important role by structuring demands vis-à-vis institutions. Yet, NGOs had also become an important partner of regional institutions in the implementation phase. In both cases the accommodation of NGOs has been a contested process.

In the Basque case, NGOs played a dominant role in the policy before 1990⁶¹². The institutionalisation of the FOCAD, and the progressive interest of the regional administration in constructing an integrated agenda of international relations, has altered the relationship between NGOs and the regional administration.

For NGOs the progressive centralization of decisional capacities in the hands of the regional government represented an attempt to create a clientelistic network in which NGOs would participate in the aid system providing it with legitimacy and know-how, but coping with regional preferences in the exchange of important economic resources. According to the words of many informants from the NGOs in the Basque Country, some NGOs agreed to play this game. Yet, most of them decided to face the challenge posed by regional administration's attitude. As we have seen, it is not clear whether NGOs managed to escape from the clientelistic trap. Negotiations with regional institutions resulted in a number of institutional reforms in the aid system. Yet, these reforms operated at a rather symbolic level. Thus, it is not clear whether NGOs have been able to enhance the instruments for participation in the decisional phase⁶¹³.

Nevertheless, the regional administration had perceived the integration of NGOs in the implementation of decentralized aid schemes as the pinnacle of democratic relations

⁶¹¹ See: pp. 287-295

⁶¹² See: pp. 190-193

⁶¹³ See: pp. 210-218

between institutions and civil society. As we have seen in the chapter on the Basque Country, the regional administration identified compliance with the demands of NGOs, rather than as the result of the interaction of different political agendas, as a moral necessity. That necessity resulted from the character of NGO mobilization, and also from the perception on the part of institutions of the *existing interrelation between institutions and civil society existing in democratic systems*. Thus, references to NGOs evoke the democratic and open nature of the Basque Country as a polity⁶¹⁴.

In the case of Tuscany, NGOs have had a relevant role in defining and implementing decentralized aid schemes. As we have seen in the chapter on Tuscany, NGOs had developed co-operation activities since the early seventies.

In the eighties, NGOs convinced a number of municipalities to participate in international co-operation activities leading to the institutionalisation of the first decentralized aid schemes at the local level⁶¹⁵. From 1999 the institutionalisation of a regional decentralized aid for development policy has altered the dominant role of NGOs. On the one hand, the regional administration has committed to the integration of social actors at every single stage of the policy, that is both at the decisional and the implementation phases. This commitment is consistent with the above mentioned perception of the region as a polity in which practices of concertation and social integration are perceived as a moral value⁶¹⁶.

On the other hand, the progressive institutionalisation of the policy has raised tensions between NGOs and institutions. Firstly, NGOs had complained about the way in which the system of the *tavoli di coordinamento* is organized. According to NGO informants, the region uses the *tavoli* as an instrument in a broader system of political exchanges between regional and local institutions, whereas NGOs play a secondary role within them⁶¹⁷.

Secondly, NGOs have been able to counteract the agenda of policy preferences defined by the regional administration. As emerges from the analysis of geographical allocation, NGOs do not have to comply with the political agenda of the region which defines the Mediterranean area as a priority area. NGOs have concentrated their activities in those

⁶¹⁴ See: pp. 218-223

⁶¹⁵ See: pp. 259-262

⁶¹⁶ See: pp. 287-295

⁶¹⁷ See: pp. 295-300

areas with which they have established co-operation programs since the seventies, namely Latin America and Africa⁶¹⁸.

Finally, most NGO informants have recognized the limited impact that Tuscany's decentralized aid policy might have on the structure of organizations. The limited amount of resources available and the strategies of diversification of funds make NGOs quite an independent actor in the context of Tuscany's decentralized aid for development.

III.4 A summary of findings

The findings presented in earlier sections can be summarized in the following table.

Table 14: The Basque Country and Tuscany compared

		<i>The Basque Country</i>	<i>Tuscany</i>
	<i>Social demand</i>	Territorialization of debates on international development as a precondition for region's engagement in decentralized aid policies.	Territorialization of debates on international development as a precondition for region's engagement in decentralized aid policies.
	<i>Structure of centre-periphery relations</i>	Changing structure of centre-periphery relations: From a restrictive framework to a passive attitude of the State vis-à-vis region's engagement in decentralized aid policies.	Changing structure of centre-periphery relations: From a restrictive framework to models of soft-coordination between the State and the regional level in international co-operation issues.
<i>Domestic politics</i>	<i>Agenda of internationalisation</i>	Internationalisation of the regional economy, relations with the Diaspora and European agenda.	Tuscany as a region in Europe. Tuscany as a European region in the Mediterranean area.
	<i>Inter-institutional relations</i>	The Basque Country as a quasi-federal polity in which the regional administration is trying to gain a central role	Central role of local governments. Tuscany's regional administration act as a co-ordinator of initiatives arising at the local level.
	<i>Relations with NGOs</i>	Subordinated to the necessities of the regional administration. Clientelistic relations. NGOs provide know-how and legitimacy for the Basque decentralized aid system in exchange for economic resources.	Emphasis on the coordination with social movements.

⁶¹⁸ See: pp. 322-325

IV. The decentralized aid puzzle revisited

The comparative analysis of Tuscany's and the Basque Country's decentralized co-operation schemes has confirmed the validity of the argument sketched in earlier parts of this dissertation. Firstly, previous sections show how the participation of NGOs was fundamental for the constitution of decentralized aid systems in both Tuscany and the Basque Country. In both cases, NGOs managed to introduce the problem of underdevelopment at a high level of the regional political agenda. At the same time, they controlled important symbolic resources and know-how, which made them key players in the initial stages of policy development.

Secondly, we analysed the impact of some elements of the domestic political agenda on the constitution of a decentralized aid system in both cases. The first element was the structure of inter-institutional relations. This includes not only the patterns of centre-periphery relations and the relations of the regional governments with supranational organizations, but mainly the patterns of regional-local relations. As we have seen in both cases, the scattered nature of the demand structure, and the strategies pursued by NGOs operating in the territory, permit the agenda of region-local relationship to have an impact in the creation of regional decentralized aid systems.

The second element of the domestic political agenda refers to the process of symbolic construction of the region as a political actor. The region's engagement in decentralized aid politics has been tinged with a specific set of identity markers, which reflected the qualities of the region as a polity.

Finally, the constitution of decentralized aid programs seems to be very much dependent on the nature of the regions' projection abroad.

Therefore, four factors can be identified as the major forces underpinning regions' engagement in decentralized aid schemes: *firstly, the impact of NGOs' mobilizations and demands on local and regional institutional tiers; secondly, the agenda of internationalisation of the region; thirdly, the structure of inter-institutional relations mainly between sub-state tiers of government; and fourthly, the nature of NGOs-institutions relations.*

The explanatory value of the above mentioned factors can be summarized in the following table:

Table 15: Explanatory factors and regions' engagement in decentralized aid policies

<i>NGOs' mobilization</i>	<i>Agenda of internationalisation</i>	<i>Structure of inter-institutional relations</i>	<i>Structure of institutions-NGOs relations</i>	<i>Region's engagement in decentralized aid policies</i>
Yes	Yes	Intervening factor: might affect the nature of the policy outcome.		Yes
Yes	No			No
No	Yes			No
No	No			No

The table above summarizes the explanatory power of the factors lying at the heart of a region's engagement in decentralized aid policies. As clearly stated, two types of factors can be identified. First, both NGOs' mobilization and the existence of an agenda of internationalization of the region are necessary but not sufficient conditions for regions to engage in decentralized aid policy schemes. As earlier parts of this dissertation have shown, it is only when both factors are combined that we can speak properly of region's engagement in decentralized aid for development policies.

Decentralized aid, as we have maintained since the beginning of this dissertation, cannot be understood only as the result of the transposition of the normative agenda of international development to territorial levels, which have traditionally remained outside these debates. Neither can it be only described as the result of a major paradigmatic shift in the realm of international development co-operation policies. These elements taken alone are necessary but not sufficient conditions to explain the origins of regions' engagement in decentralized aid politics.

The impact of the agenda of international co-operation development cannot be decoupled from the activities of NGOs which operate as major catalysts between the territorial levels in which mobilization take place and the multilayered arena of international development where the normative agenda of international co-operation is built up.

This dissertation has sought to reveal the politics behind decentralized aid for development linking them to the broader process of region-building. Regions are continuously constructed and re-constructed as political spaces. This process might be plainly evident in the context of broad change in the political system or on the contrary might present a lower profile. This process is made up of the interactions of diverse notions of space which modify the limits of political autonomy.

In this dissertation we have discussed how regional political space increasingly presents an international dimension, which has been traditionally neglected. Regions have to face increasingly volatile challenges posed by the internationalisation of the economy and competition for resources, investments and markets to allocate production of regional and local producers. At the same time, the process of supranational integration and globalisation is stripping political capacities from domestic levels and allocating political responsibility and decision-making to supra-national arenas.

Regions have perceived the magnitude of both challenges. They are increasingly defining policy schemes aimed at developing an international projection for the region. Thus, the region as a political space spills over the limits of the porous division between domestic and international politics. The necessities derived from the process of internationalisation of the region as a political space has had an impact on the definition of decentralized co-operation schemes. As we have seen, regions have more or less explicitly connected decentralized aid to other issues in the agenda of internationalisation. These include: the internationalisation of the economy and the search for new markets for regional production; increasing access to supra-national decisional arenas; or enhancing the relationship with Diaspora communities, either as a means of reinforcing the idea of community or as a means of gaining access to administrations within the states hosting the Diaspora.

This list of issues should not be perceived as exhaustive. Rather, it might well be the case that regions develop new modes of connecting the needs derived from the internationalisation of the regional political space with the issues raised by NGOs' mobilization within the regional territory.

Second, the structure of inter-institutional relations and the relations between institutions and NGOs can be taken as intervening factors. They influence the structure of the policy outcome, but only influence to a limited extent the decision to engage in decentralized aid for development policies.

Interactions with other tiers of government determine the space of regional autonomy from above and from below. Traditionally, scholars have focused on the interaction between the State and the regions. Yet, as emerges from this dissertation, it is also important to look at the interaction between local and regional tier, in the establishment of policy schemes at the regional level.

In the event of diversified demand structuring (where demands are not addressed to any particular territorial level), the structure of local-regional relations came to play a fundamental role in the definition of decentralized aid schemes. Regions and localities might perceive aid as an opportunity to gain support and legitimacy vis-à-vis other institutional tiers. Conversely, under certain conditions they might establish co-operative patterns creating a territorial supply structure that goes beyond the differentiation between institutional tiers. In both cases, as emerges from the results of this dissertation, institutions re-interpret the challenge posed by the emergence of a territorial agenda of international development co-operation in terms of an agenda of domestic inter-institutional relations.

Furthermore, regional institutions interact with civil society. Regions try to depict an open relationship with movements and NGOs. In both cases analysed, the incorporation of civil society in the political life of the region seems to be a marker in constructing the notion of the region as a polity.

The politics of region-building seem to lie at the heart of the way regions have responded to the normative agendas mobilized by NGOs operating in the territory. This last analysis would confirm our initial claim that it is only through combining the analysis of regional domestic politics and the changing nature of the international development agenda that we might be able to understand why regions engaged in decentralized policies.

CONCLUSIONS

CONCLUSIONS

I. A summary of the major findings of this dissertation

In this dissertation we have discussed the politics of decentralized aid for development. In the introduction to this dissertation we have tried to present the origins of decentralized aid for development programs in European regions as a twofold puzzle. Firstly, we sought to illustrate the existing literature's inadequate treatment of the question of why regions engage in foreign aid policies by pointing to a number of important theoretical and empirical shortcomings in the current literature on decentralized aid for development. As we argued, the major shortcoming was the failure of the literature on decentralized aid to address the political dimension of decentralized aid. In order to resolve this problem, we proposed the possibility of bridging the gap between the literature on decentralized aid and the comparative analysis of regional politics.

The second dimension of the puzzle was entirely normative. We argued that the overly normative character of academic work surrounding decentralized aid for development paid lip favour to the very values that it was intending to protect. Decentralized aid has been presented in the literature as a major normative change in the development paradigm, yet the values attached to it have not been confronted by the day to day practice of decentralized aid politics. The moral sphere of decentralized aid has been detached from everyday practice. Thus, the academic debate has been unable to produce the appropriate instruments to evaluate the real nature of the beast, beyond a set of self-legitimizing assertions on the commitment of regional and local governments to the agenda of human sustainable development. The argument was that if we are to commit seriously to the new normative agenda of decentralized aid, we have to understand the policy beyond the stereotypical normative depiction of the literature.

The remainder of this dissertation has analysed the major theoretical problems posed by regions' engagement in decentralized aid policies. The analysis has been subdivided in three major parts and the main results can be summarized as follows.

In Part I we presented the theoretical argument of this dissertation. First, I separated the analysis of decentralized aid as a political practice from the analysis of decentralized aid as the result of purposeful action. This distinction was structured according to the

differences between the analysis of the constituents of decentralized aid as a social kind, (that is, the response to the question of what made decentralized aid possible?) and the analysis of the causal mechanisms explaining a specific social phenomenon, a region's engagement in decentralized aid schemes (that is, why regions engaged in foreign aid policies?).

Decentralized aid, as a political practice, finds its origins in major changes occurring in three different realms. Firstly, the discourse on decentralized aid for development emerges parallel to the rise of institutional economics in economic theory and its well-known emphasis on the need for a 'proper institutional setting' before economic growth can take place.

Secondly, development institutions began to tie development assistance to the existence of suitable institutional schemes to implement it, or to the accomplishment of proper policy reforms. Moreover, whereas development aid has been understood in the past as a state development agency to state development agency relation, from the early nineties onwards practitioners increasingly emphasized the role of civil society and local institutions as the appropriate partners for development policy.

Thirdly, the eighties witnessed a major process of territorial restructuring. Political autonomy has been redefined and the capacities of sub-state units have been restructured in the context of globalisation and increasing supranational integration. A process of territorializing politics, in which territorially bounded identities and practices are of greater importance, seems to be taking place.

From the point of view of purposeful action, regions' engagement in foreign aid policies is the result of specific processes of interaction among a distinct set of institutional and non-institutional actors. Regional governments, driven by NGOs and social actors operating in the territory, would engage in multilevel processes of political bargaining that would result in a specific policy outcome.

Region's engagement in decentralized aid policies was presented here as the result of the interaction of two major sub-processes, the first being a process of demand structuring, where NGOs are the dominant actors. As we tried to show, NGOs act in complex milieu of political authority. They act vis-à-vis national institutions, they also structure demands

vis-à-vis supranational agencies, finally they direct part of their activities to lobbying sub-state tiers of government. Through a process of multilayered bargaining, NGOs are able to structure a case for decentralized aid for development.

The second process is one of supply structuring. In this process, a number of agents have an impact. First, the State might control key policy resources. Second, the European Union might facilitate regions' engagement in decentralized aid policies through specific development initiatives. Finally, regions sought to respond to NGOs' demands as a means of tackling a number of issues in the domestic political agenda, which increasingly requires a region's international projection and recognition.

Lastly, I discussed the methods employed in this dissertation. I contended that a 'most-different case' oriented comparison is the most suitable way to test the validity of the argument exposed so far. First, case-oriented comparisons permit better assessment of the process of conjunctural causation and might help the researcher to build up better informed and thicker theories. Second, the 'most different cases' research design is pursued as a means of covering the widest range of variation, thus permitting a deeper understanding of the impact of different factors on our policy outcome.

In Part II and Part III, we have dealt with the politics of decentralized aid in two European regions, the Basque country and Tuscany. The Basque country has been presented as a rather complex polity in which tradition and modernity are uneasily entangled. The politics of decentralized aid reflect the major political tensions underlying the Basque polity, and the political projects aiming at structuring it.

The Basque country administration has been able to create a state-like international profile. This is constituted by both a strong institutionalisation of the region's international projection and deep concerns about the important effects that the internationalisation of the Basque country might have for the construction of the polity.

At the same time, decentralized aid reflects the incapacity of the regional administration to impose centralization in a highly fragmented polity such as the Basque country. In the process of centralizing decisional capacities, the regional administration had to grapple with important resistance on the part of civil society counterparts and other institutional actors, such as the local and provincial administrations.

In addition, the regional administration has to deal with a strong body made up of religious and lay organizations, which greatly structure social life in the Basque country. Despite all the efforts, it is not clear from empirical evidence whether the Basque administration has been able to fully develop a clientelistic pattern of relationships with local NGOs. NGOs had been able to clearly articulate detachment and contestation vis-à-vis the path undertaken by regional institutions.

The changes in the political agenda brought by the *Plan Ibarretxe* have once again altered the position of decentralized aid in the overall picture of the Basque country's international policy. Whereas the institutional result of the major process of policy reform is still unclear, it might well be the case that Ibarretxe's political agenda could result in the detachment of decentralized co-operation from the fate of Basque politics. The construction of a political agenda, very much concentrated in the political vision of Basque nationalism in a highly divided political context, could paradoxically result in the dissolution of the links between Basque international co-operation and the rest of Basque foreign policy.

Conversely, as we have tried to show in Part III, Tuscany's regional administration seems to be putting forward a more integrative model of foreign projection. This is built upon a reassessment of the interactions among institutions and between institutions and society. Subsidiarity and partnership seem to be the major principles upon which Tuscany's foreign projection is structured. As a result, both organizations in the civil society and local institutions enjoy an important role at every phase of the decision-making process.

However, Tuscany's model of foreign projection has to be analysed in the context of institutional uncertainty created by the institutional reforms of late nineties. As we have seen, institutional reform has not been comprehensive. While it seems to be a clear compromise with the idea that sub-state tiers of government are to play an increasing role in Italian politics, reform has not resulted in constitutionalisation of the necessary institutional elements to consolidate a space of regional autonomy.

Thus, beyond the commitment of the regional administration to the practices of concertation and social integration, the role of subsidiarity and partnership in Tuscany's decentralized aid seem to be the result of a process of flexible adaptation to a fragmented territory in a context of institutional uncertainty.

In Part IV, a comparative analysis of the politics of decentralized aid in Tuscany and the Basque country has been presented. The comparative analysis of Tuscany's and the Basque country's decentralized co-operation schemes confirmed the validity of parts of the argument sketched in Part I.

First, it showed the fundamental role played by NGOs in the establishment of decentralized aid systems in both Tuscany and the Basque country. In both cases, NGOs managed to introduce the problem of underdevelopment at a high level of the regional political agenda. At the same time, they controlled important symbolic resources and know-how, which made them key players in the initial stages of policy-making.

Second, it showed the impact of some elements of the domestic political agenda on the constitution of a decentralized aid system in both our cases. These elements were the following: first, the nature of the regional agenda of foreign projection. The limits of regional political autonomy increasingly spill over the porous division between domestic and international politics. As emerges from the results of the comparative analysis, the necessities derived from the process of internationalising the region as a political space has had an impact on the definition of decentralized co-operation schemes.

Regions have connected, in a more or less explicitly fashion, decentralized aid to other issues in the agenda of internationalisation. These include the internationalisation of the economy and the search for new markets for regional products; increasing access to supra-national decision-making arenas; or enhancing the relationship with Diaspora communities, either as a means of reinforcing the idea of community or as a means of gaining access to the administrations within the states hosting the Diaspora.

The second element was the structure of inter-institutional relations. These included not only the patterns of centre-periphery relations and the relations of the regional governments with supranational organizations, but mainly the patterns of regional-local relations. As we have seen, in both cases the scattered nature of the demand structure and

the strategies pursued by NGOs operating in the territory introduced the agenda of regional-local relationships to the process of establishing regional decentralized aid systems. Regions and localities perceived decentralized aid as an opportunity to gain support and legitimacy vis-à-vis other institutional tiers. Furthermore, under certain conditions they established co-operative patterns creating a territorial supply structure that goes beyond the differentiation between institutional tiers. In both cases, as is clear from the results of this dissertation, institutions re-interpret the challenge posed by the emergence of a territorial agenda of international development co-operation in terms of an agenda of domestic inter-institutional relations.

Finally, regional institutions interact with civil society. Regions try to depict an open relationship with social movements and NGOs. In both cases analysed, the incorporation of civil society into the political life of the region seems to be a marker in the construction of the notion of the region as a polity.

The analysis of the major results of this dissertation confirms our initial intuition on the political character of a region's engagement in decentralized aid policies. This is a process that seems to be very much bounded within the logic of region-building. I acknowledge the existence of a lack of consistency between empirics and theory in this dissertation. Yet, I believe that the logic of inquiry pursued in this dissertation has yielded theoretical gains. Firstly, the theoretical framework presented in *Part I* limited partially the scope of the narratives presented in *Part II* and *Part III*. As a result the comparative analysis presented in *Part IV* produced empirically sustained and generalizable statements on the origins of decentralized aid.

Secondly, an inductively oriented presentation of our narratives yielded an improvement of the analytical instruments presented in *Part I*. In other words, theory learnt from the cases. As we state in the introduction, the lack of positive theory on the field made it hard to trace the appropriate counterfactuals in order falsify our hypotheses. Inductively oriented narratives have proven a valid instrument to test the validity of the theoretical framework proposed in *Part I*.

As we have said in the introduction, this way of looking at the origins of decentralized aid policies posed important questions to scholars addressing decentralized aid for

development. The remaining parts of these conclusions assess the major contributions of this dissertation to the broader debates presented in the introduction. I will proceed as follows. First, I will present the contributions to the literature on decentralized aid. These can be summarized in two major headlines. Firstly, this dissertation has brought politics into the discussion of decentralized aid for development. It should be noted that the incorporation of regional politics to the discussion of the origins of decentralized aid policies is partially inspired by the analysis of the literature on the so-called foreign aid puzzle. Thus, I will explore some contributions that, I believe this dissertation has put forward regarding not only the literature on decentralized aid but also the debates on the foreign aid puzzle. Secondly, at a methodological level we have broken the mould of nationally oriented comparisons by presenting a cross-national comparison of two European regions.

Then, I will explore the contributions of this dissertation to the analysis of regional politics and more specifically to the analysis of the foreign projection of sub-state units. These can be summarized as follows. At the outset, this dissertation has brought the tools of comparative regional politics into a policy field which has not been considered by the specialized literature. Second, with respect to the analysis of the conditions for regional engagement in foreign policies, this dissertation furthers the path begun by authors such as Michael Keating and John Kincaid, who had differentiated between the opportunity structure in which regions' foreign projection takes place and the motivations compelling regional actors to act externally. What is more, it helps to better assess the impact of the opportunity structure and the motivations of regions' foreign projection.

Finally, these conclusions return to the normative discussion of decentralized aid. The intention of this dissertation has been that to assess a normative debate that has been taking place since the nineties among the development community, which sees regional and local authorities at the centre of a major change in the development paradigm. Showing the crude politics behind decentralized aid, this thesis intended to put forward a critical way of committing to the same normative agenda.

II. The contributions to the specialized literature on decentralized aid for development policies

II.1 Decentralized aid as regional politics

This dissertation has tried to bridge the gap between decentralized aid and regional politics. In doing so it has yielded some theoretical gains. The debate on decentralized aid for development had left aside the analysis of the motivations of sub-state units to engage in decentralized aid schemes. It was assumed that the origins of these programs were to be found in the natural implementation of a new paradigm of development, which placed the problem of participatory development and the importance of the local scale in promoting economic growth at the forefront.

Bringing regional politics into the picture has permitted us to better assess the mechanisms by which the above mentioned agenda was incorporated and implemented at a territorial level, which has traditionally remained outside such questions. This dissertation has analyzed decentralized aid as a policy process, in which both a process of demand structuring and a process of supply structuring can be differentiated. The demand structuring process sees NGOs playing a central role. Organizations are able to translate the agenda of international development to the terms of territorial politics, structuring a specific set of demands vis-à-vis regional and local institutions. Therefore, the impact of the changes on the agenda of international development is mediated by NGOs' interpretation and mobilization.

The supply structuring process put regional administrations at the centre of the stage. As we have seen in this dissertation, after an initial phase in which they followed the thrust of NGOs and social actors, regions have been able to develop a distinct approach to the questions raised by NGOs' mobilization. In both cases analyzed, regions were able to link regional engagement in decentralized aid activities to a broader process of regional construction which sees the constitution of an international profile as an important element in the configuration of regional autonomy.

As we said before the discussion of the major outcomes of the specialized literature on decentralized aid for development is inspired on the analysis of the debates on the so-called foreign aid puzzle. To a certain extent, the decentralized aid puzzle as it has been

represented here is a transposition of the foreign aid puzzle to a different level of analysis. Yet, as we said in Part I the debate on the origins of foreign aid policies, as it has evolved since the fifties has not been a particularly successful one. The foreign aid puzzle has remained somehow unresolved.

In this dissertation we have approached the decentralized aid puzzle from a procedural perspective. That is, emphasizing the interactions between a set of agents and trying to observe the changing nature of the process of preferences construction. I believe this perspective represents a way of overcoming the spurious debate between realists and idealists that has lingered since the fifties until the present day without reaching an agreement.

This dissertation claims for a different approach to the foreign aid puzzle. This approach should start from a clarification of the dimension of the foreign aid relation that is under scrutiny. Coming back to example we mentioned in Part I, the rationale behind aid allocation patterns might be consistent with the rationale behind the very act of giving aid, yet the consistency of both rationales should not be taken as a given as much of the literature tended to do, mostly during the seventies.

What is more, as this dissertation shows aid relationships are extremely complex phenomena, therefore require not only from cautious definition of our research questions, but also from refined methodological instruments, which may be able to capture the nuances behind policy decisions. My contention here, in line with recent branches of the literature (particularly Mosley and Breuning) is that regression analysis should be complemented with more qualitative-oriented analysis that might facilitate the interpretation of regression scores, as well as deepening the knowledge of the cases we are analyzing.

This dissertation has proven that the analysis of the process of construction of the aid relationship yield interesting theoretical and empirical gains vis-à-vis those analysis that tend to figure out the structural factors behind foreign aid. What is more, as we claimed in Part I both modes of analysis can and should complement each other instead of engaging in a struggle for scientificity.

Nevertheless, these findings have to be taken as an unintended result of this dissertation. As we said in Part I, the analysis of the debates on the foreign aid puzzle served to contextualize the nature of our research question, but also to point at a set of fundamental elements that should be taken into consideration in the definition of the decentralized aid puzzle. Therefore, beside the general statements presented in previous paragraphs, this dissertation does not intend to be a contribution to the debate on the origins of foreign aid.

The shortcomings of the literature on foreign have been used here as a source of inspiration for the definition of the decentralized aid puzzle. Consequently the outcome of this dissertation can be only taken as a source of inspiration, but cannot be transposed as if this dissertation would have been designed as a contribution to the solution of the foreign aid puzzle itself.

II.2 Decentralized aid goes abroad! Comparative cross-national case oriented analysis

One of the most important theoretical gains yielded by this dissertation is that it has gone beyond the limits of the national case-oriented analysis or the national oriented comparison. Both the literature and the practice of decentralized aid for development have been traditionally constrained by the limits of the single national case. For instance, during many of the interviews conducted for this dissertation, I was struck by the fact that many interviewees remained surprised that a cross-national comparison of the type conducted in this dissertation could be really implemented. In fact, their diffidence was not due to methodological considerations on the comparability of the cases selected, but to the fact that many of them did not know what was going on outside the national border.

Yet, their reaction is natural if we take into consideration that the bulk of the studies conducted in the realm of decentralized aid for development has been confined to analyzing a single country, or comparing a handful of regions within the limits of a specific country.

This dissertation has proposed a cross-national comparison of the politics of decentralized aid in two European regions. In this manner, we have been able to evaluate the impact of a number of factors, which have been traditionally taken as given by the

specialized literature (i.e. the impact of the national opportunity structure, or the effects of the process of European integration).

By choosing regions in two different countries, this work has been able to assess the impact of these elements on the configuration of decentralized aid schemes, both at the level of demand structuring and supply structuring.

At the same time, the 'most different cases' approach pursued in this dissertation has permitted us to maximize the value of the empirical analysis in terms of yielding generalizable statements. Yet, it is worth noting that this aspect of the dissertation (the possibility of generating generalizable statements on the conditions for regional engagement in foreign aid) could and should be improved by extension of the empirical analysis to new cases.

III. The contributions to the analysis of regions' involvement in foreign policy

As we have said in earlier parts of this dissertation, the debate on regional involvement in foreign policies has been a long and fruitful one. Starting in the late seventies, heavily influenced by International Relations Theory and the impact of transnational relations, it has come to a point at which the international activities of the regions are understood, not only as part of broader changes in the structure of international politics but also as part of a process of restructuring territorial politics.

This dissertation has contributed to the literature on regions' involvement abroad with the analysis of a policy field which has traditionally remained outside the scope of this body of literature. Yet, the major theoretical gains yielded by this dissertation go far beyond the incorporation of a new policy field to the vast area covered by the studies of sub-state units' foreign policy.

III.1 Why do regions go abroad?

The contents of this dissertation can be placed in the broader framework of the analysis of regions' foreign activities and more specifically on the motivations underpinning regions' involvement in foreign policy schemes. As we have seen in earlier parts of this dissertation, the debate on regions' motivations to go abroad has been long and fruitful. Recent contributions have sought to distinguish between the opportunity structure in which regions' international mobilization takes place and regions' motivations to go abroad.

This dissertation has followed the path taken by authors such as Michael Keating and John Kincaid, distinguishing between the analysis of the constituents of decentralized as a political practice and the determinants of regions' engagement in decentralized aid politics. As a result, we have been able to distinguish the process of generation of the opportunity structure for decentralized aid from the actual configuration of particular decentralized aid policies in every single case.

As we have seen before, decentralized aid as a political practice is the result of the combination of a multiplicity of factors. These include: firstly, major changes in the

agenda of development as a result of the crisis of the Bretton Woods system; secondly, a major paradigm shift in economic theory; thirdly, the activities carried out by supranational organizations, which helped to anchor these changes in specific policy schemes; and fourthly, a major shift in the way territorial politics are conceived.

Within this general context, regions' engagement in decentralized aid is the result of the interaction of the processes of demand structuring, which manage to territorialize important aspects of the international debates on development, and the process of supply structuring, in which demands are combined with a specific regional agenda of internationalization.

Yet, this is not the only theoretical gain yielded by the analysis put forward in this dissertation. As we have seen in Part IV, the comparison of both our cases shows a major difference between the processes of demand and supply structuring. Whereas the former is a multilayered process, in which actors operating at different territorial levels interact, the latter is very much bounded by the limits imposed by the interactions of agents operating in the territory.

III.2 Multilayered arenas and multilayered decision making vs. the domestic determinants of decentralized aid

In earlier parts of this dissertation we have discussed whether the establishment of systems of multilayered foreign policy as a result of globalization was at the roots of regions' engagement in foreign policy schemes. We initially resolved the question by agreeing with Ngaire Woods that the impact of globalization was mediated by the structure of domestic institutions which determined diverse impacts depending on the cases analyzed. The analysis conducted in this dissertation can help us to go on the argumentative path opened in Part I.

In Part IV, as a result of the comparative analysis of our cases, we have been able to specify how multilayered arenas might affect the constitution of decentralized aid for development policies.

The process of demand structuring, as it emerges from the cases analyzed, is one of multilayered bargaining in which NGOs have a dominant role. Learning from the experience of dealing with national administrations and supranational agencies, NGOs are able to build up a territorial case for decentralized aid aimed at targeting institutions in a particular territory. NGOs catalyze the normative debates on the practice of international co-operation, which take place at the international level, introducing them in the realm of territorial politics. Thus, NGOs operate as a nodal institution between the realm of territorial politics, where mobilization takes place, and a multilayered political arena, including both national and supranational institutions, where both the morals and the practice of international co-operation are constructed.

However, the process of supply structuring is characterized by a radical separation of the spheres of territorial politics and the multilayered policy arena of international co-operation. As we have seen in the analysis of both our cases, the impact of European co-operation policy or national international co-operation schemes on the constitution of decentralized aid systems can be reduced to the construction of a structure of opportunity. European agencies put forward programs to which regional or local institutions might or might not adhere. National institutions define the institutional and legal framework in which regions and localities might or might not develop their international co-operation programs. Moreover, both our cases show that sub-state tiers of government have the capacity to push the limits of their political autonomy far beyond the limits previously established by the national legal framework.

In both cases, the supply structuring process is very much contained within the limits of the politics of the territory. As we have seen, the nature of the different policy outcomes is determined by the interactions of the constellation of actors operating at the territorial level (local institutions, regional institutions and NGOs). These interactions are structured by the combination of three types of normative agenda: first, the normative agenda of development as translated by NGOs operating in the territory; second, the political agenda of internationalization of the territory, which is perceived by regional administrations as a *conditio sine qua non* for the development of political autonomy; third, the agenda of inter-institutional relations within the limits of the territory, which

determines the construction of diversified supply structures or, on the contrary, the construction of an integrated territorial system of international co-operation.

Therefore, this dissertation has proven that elements that we might circumscribe within the notion of territorial politics determine region's projection abroad (particularly if we attend at the process of policy-making and the definition of policy preferences) vis-à-vis other inputs such as the impact of supranational institutions or the construction of multilayered arenas of decision-making.

IV. Taking decentralized aid seriously

The conditions of underdevelopment and poverty, under which an ever increasing portion of the world's population lives, is (or at least should be) one of the most pressing issues of contemporary world politics. Decentralized aid for development is pursued to contribute to the alleviation of poverty and underdevelopment by involving local and regional governments. Yet, we still have to learn how to take decentralized aid seriously.

From a normative viewpoint, this dissertation is rooted in a critical approach to the current moral debate surrounding decentralized aid for development policies. As we have said before, the construction of a self-legitimizing argument around disparate political practices and the establishment of a neat distinction between what is going on in reality, which in most cases goes practically unnoticed, and the over developed moral debate underpinning the practice of decentralized aid are obscuring the actual practice of decentralized aid.

Addressing the politics of decentralized aid aimed at restating the relationship between the moral argument and the actual practice of decentralized aid. This dissertation has illuminated what many practitioners consider to be the dark side of development co-operation where ideals meet necessities and interests. Yet, I do not believe that ideals and politics have to be separated.

Development co-operation, and more specifically decentralized aid for development, finds its ultimate roots in a set of widely shared moral values. Yet, these values operate in a world in which political decisions have to be taken. The preservation of the values underpinning decentralized aid cannot come at the cost of separating the sphere of politics from the sphere of morals, as the scarce attention paid by the specialized literature to the politics of decentralized aid seems to suggest.

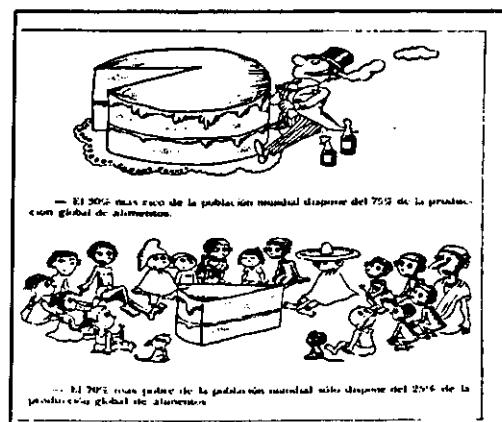
Conversely, only by identifying the dark zones, by looking deep into agents' motivations, by taking decentralized aid as a serious political question in which different normative agendas have to find a place, we might be able to find the appropriate sphere in which solidarity might truly structure regions' engagement in foreign aid policies.

ANNEX

Picture 1: Underdevelopment. Two Representations of the World



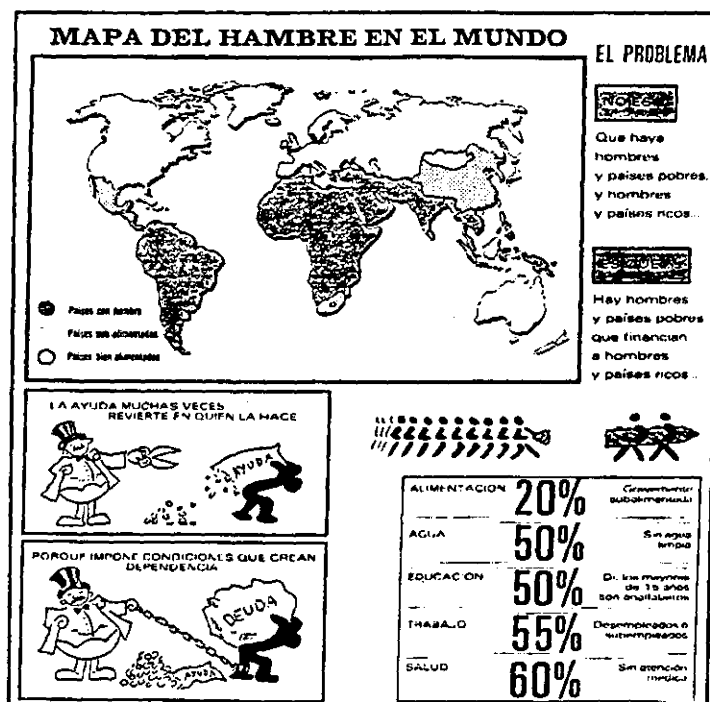
Picture 2: Representing the uneven distribution of resources



Picture 3: Military expenditure and underdevelopment



Picture 4: Dependency and underdevelopment.



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ACKNOWLEDGMENTS

Researchers are usually represented as lonely, introverted people. Someone who wears thick glasses and can be found working in a gloomy library sited all day long in front of her computer screen, thinking about things no one but her could ever understand.

However, despite the accuracy of the stereotype (for example I wear rather thick glasses and I love to work in gloomy places), it would be a serious mistake to think about our work as the result of lonely years of effort and suffering. On the contrary, none of this would have ever been possible without the contributions of our families, friends, professors, colleagues ...

After five years of research I have a huge debt of gratitude with many people, the forthcoming list names only a few. In first place my gratitude goes to my family who has supported me all these years with unconditional love. In second place my gratitude goes to Michael Keating, who believed in this project since the very beginning, (back in 2000) and who have supported me well beyond the limits imposed by pure academic exchange between a supervisor and a supervisee. In third place, I would like to express my recognition to all the people in the University of the Basque Country, particularly Noé Cornago, Felipe González who helped me with the fieldwork in the Basque Country and to Javier Uncetabarrenechea with whom I shared an office during my stay in Bilbao and hours of talking about football. Similar recognition goes to Donatella della Porta and Emidio Diodato and all his research team from the University of Florence who have made a significant contribution to the development of the fieldwork in Tuscany. Fourth, I would like to express my gratitude to all the staff working at the Institute, particularly Liz, Marie-Ange, Maureen and Ruth

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To Laudelina Abreu Herrera: in memoriam
To Pablo Álvaro Hernández: con esperanza...

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